our people and concentrating more power in the hands of the Federal Government, particularly the Attorney General. Again these pseudo-liberals are misleading the American people. They are setting up the machinery through which the people they claim to champion could eventually be liquidated or persecuted.

No racial persecution has ever taken place on a nationwide basis except under a powerful central government—autocratic power in the hands of one or a few men. This power is being created in America today. The rights of the States, the local communities and citizens are being taken over by this Federal autocracy. The greatest protection minority races have in America is not the Attorney General, the Supreme Court or Federal secret agents. These are instrumentalities of power that can be turned against minority races. The greatest protection minorities have, in fact their only real protection, is the States of our American Union, sovereign States with their own constitutions. It may be possible to have persecution because of race on the local level, but never on a nationwide basis as long as we maintain the sovereignty of States and free local government.

The same is true of religious persecution and trial by jury. The Spanish Inquisition was made possible by autocratic power in the hands of Philip II. The religious persecutions of Louis XIV and Adolph Hitler were perpetrated through the instrumentality of centralized power. Nikolai Lenin and Joe Stalin were able to destroy the churches of Russia and forbid religious worship only because they wielded absolute power in the Kremlin.

Thomas Jefferson said, in substance, that if there were no States at the time of the formation of the Republic, they must be created to guarantee the freedoms and liberties of our people. This continuous attack upon our States is an attack upon freedom. It is an insidious attempt to undermine individual liberty and create a totalitarian State. It is inconceivable that the American citizen will for long sit complacently and indifferently on the sidelines and watch the gradual liquidation of our Constitution, the destruction of State sovereignty and the usurpation of individual freedom by an all-powerful, ever-growing Federal plutocracy.

Congressman SMITH, your bill, H.R. 3, is a step toward preserving the constitutional power of our States from unwarranted usurpation and encroachment by the Congress and the Supreme Court. It will help preserve this Republic as we have known it. I hope it can become law at this session of Congress. I pledge you my cooperation, my every support and that of my people. We are taking our stand today beside the Founding Fathers of this Republic—George Washington, Thomas Jefferson, Madison, Monroe, and the others. Our struggle today is greater, more far-reaching and even more important than that of these early patriots. If we lose America and the free world today, we will be plunged backward 1,000 years into medieval darkness. The road to chaos and ruin is centralization and consolidation of all government in the hands of a few in Washington. To preserve our basic freedoms, guaranteed in the Bill of Rights, we must save our Constitution as written. This great document can only be preserved and passed on to coming generations by first preserving the integrity and sovereignty of our American States. Freedom of speech, trial by jury; freedom of choice; yes, freedom of the press and religious liberty can only be preserved and guaranteed by defending the rights of our States.

The South must take the lead in this crusade to save America from totalitarianism and from bankruptcy. It can be done through the Democratic Party of Jefferson. Only the South can assume this leadership because we are still free. The people of Virginia and the South can truthfully say with Thomas Jefferson when he said: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

SENATE

MONDAY, JUNE 1, 1959

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

Our Father, God, from all the trivialities of small concerns that tire and frustrate, we turn to Thee with a sense of the immensities and the glories which surround us on the most commonplace days and ways.

We would pause at this wayside altar long enough to be reminded that what supremely counts has nothing to do with the appraisals of men or with honors and recognitions for which men contend, but has to do with what causes use us, what powers surge through us, what ideas master us before daylight fades and our little day is over.

Make us ministers of the good will which asks for itself nothing that it does not covet for the whole world, and which will not halt its growing sway until it joins all nations and kindreds and tongues and peoples into one fraternity that belts the globe.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 28, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 947) for the relief of Lenora Bent, and it was signed by the President pro tempore.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

INTERNATIONAL WHEAT AGREEMENT, 1959—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive E, 86th Congress, first session, the International Wheat Agreement, 1959, transmitted to the Senate today, and that the agreement, together with the report of the Acting Secretary of State, be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the message from the President will be printed in the RECORD.

The President's message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the International Wheat Agreement, 1959, in the English, French, and Spanish languages, formulated at the United Nations Wheat Conference which concluded at Geneva on March 10, 1959. The agreement was open for signature in Washington from April 6 to 24, inclusive, 1959. It was signed in behalf of the Government of the United States of America and the governments of 34 other countries.

I transmit also, for the information of the Senate, the report of the Acting Secretary of State regarding the agreement. Attention is invited particularly to the last two paragraphs of that report. It is my hope that the Senate will find it possible to give early consideration to the agreement so that, if the agreement be approved, ratification by the United States can be effected and an instrument of acceptance deposited by July 16.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 1, 1959.*

(Enclosures: (1) Report of the Acting Secretary of State; (2) International Wheat Agreement, 1959.)

CONSIDERATION OF NOMINATIONS—ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, for the information of the Senate, the nominations on the Executive Calendar will not be taken up until later this afternoon, at the earliest.

Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

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

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. McGEE. Mr. President, because of my deep conviction that the nomination of Lewis L. Strauss to be Secretary

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of Commerce should not be confirmed, I rise today to share with my colleagues another of the numerous examples of Mr. Strauss' perfidy which is a part of the record of the recent Interstate and Foreign Commerce Committee hearings.

During those hearings, on May 7, 1959, Mr. Strauss again deliberately attempted to deceive the committee, when he denied knowledge of a communication which he, himself, had signed.

That denial was another attempt by Mr. Strauss to escape embarrassment and discomfort by taking refuge in a falsehood he hoped the committee could not detect.

On January 26, 1956, the Attorney General of the United States sent to the Department of Defense a letter setting forth his official opinion that any plans to share nuclear information with our allies should be discussed with the Joint Committee on Atomic Energy before any agreements were entered into. Simultaneously, he sent a copy of the letter to Mr. Strauss, as Chairman of the Atomic Energy Commission.

The question of whether the Atomic Energy Commission kept the Joint Committee fully and currently informed, Mr. Strauss himself termed "one of the most serious instances" of the charges against him.

So, in answer to my question with regard to the Attorney General's letter, Mr. Strauss testified during the hearings: "I should have seen it, it was a dereliction on my part not to have seen it. But I haven't seen it."

Mr. President, two facts which Mr. Strauss failed to disclose contradict that statement.

First. When called to account on this matter before our committee, he consulted AEC records overnight, and, after thus refreshing his memory advised our committee that the letter had been presented to the Commission on January 27, 1956, while he was out of the country, in Havana. The committee would have been misled by that half-truth if a letter from the present Chairman of the Atomic Energy Commission, Mr. John McCone, had not been presented. It revealed that, in addition to the January 27 meeting, there had been another meeting, 6 days later, on February 2, 1956, at which the letter was discussed and at which AEC records prove Strauss to have been present.

Second. Despite the categorical statement that he had not seen the Attorney General's letter, Mr. Strauss, acting at the request of members of the Committee on Atomic Energy, sent a copy of that letter, accompanied by a letter he himself had signed, to the Joint Committee on Atomic Energy on June 29, 1956. In light not only of the February 2 meeting at which Strauss was present, but also of his letter to the Joint Committee on June 29, Strauss was proved deceitful again. This was no mere dereliction on his part. It was a brazen attempt to hoodwink a committee of the U.S. Senate.

Mr. President, a man who attempts deception of a committee of the Congress should not be trusted to carry out the will of Congress as Secretary of Commerce.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks excerpts from the transcript of the Strauss hearings which bear upon this statement.

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

Letter from Attorney General of the United States read into record of Interstate and Foreign Commerce Committee hearings on the nomination of Lewis Strauss as Secretary of Commerce on May 4, 1959 (pp. 717–718) (letter dated January 26, 1956):

"In view of the sensitive subject matter here involved and its apparent importance, I believe that, in this instance, the matter should be discussed with the Joint Committee before the agreements are entered into This, presumably, would be undertaken in an informal basis in the interest of ascertaining preliminarily the views of the committee and, at the same time, permitting the committee to become aware of proposed developments in the field of international cooperation which might have significant effects upon the atomic energy program."

Excerpts of testimony before the Interstate and Foreign Commerce Committee hearing on the nomination of Lewis Strauss as Secretary of Commerce May 7, 1959 (pp. 1159–1160):

"Senator MCGEE. You mentioned, Admiral, that the first time you had ever seen the letter or knew about it was when it was in the record?

"Mr. STRAUSS. The first time that I can recollect ever having had any acquaintance with the letter was the occasion, was it yesterday or the day before, and as I say, the letter was received, it was written on the 26th of January, it was received on the 27th in the Commission. It was discussed in a Commission meeting on the 27th. I had left for Havana.

Letter from Lewis L. Strauss, Chairman of the AEC, dated June 29, 1956, to Senator PASTORE, read into record of hearings on Mr. Strauss as Secretary of Commerce held May 14, 1959 (p. 1713):

"DEAR SENATOR PASTORE: We recently discussed with the Subcommittee on Agreements for Cooperation, proposed amendments to the respective agreements for cooperation with the United Kingdom and Canada which would permit the exchange of information on military reactors with these nations. In connection with these discussions, the subcommittee requested copies of a letter on this subject dated January 26, 1956, from the Attorney General to the Secretary of Defense. We have consulted with the Department of Defense and enclose two copies of the letter dated January 26, and two copies of a letter dated June 13, 1955, from the Attorney General to the Secretary of Defense on the same subject.

"Sincerely yours,

"LEWIS L. STRAUSS,
"Chairman."

Letter from John A. McCone, Chairman, Atomic Energy Commission, dated May 11, 1959, read into record of hearings on Mr. Strauss as Secretary of Commerce held May 14, 1959 (pp. 1714–1715):

"DEAR SENATOR ANDERSON: This responds to the oral inquiry from the Joint Committee staff as to the sequence of certain events regarding the letter of the Attorney General to the Department of Defense dated January 26, 1956, concerning the exchange of information on military reactors with the United Kingdom.

"By letter of January 26, 1956, the Attorney General transmitted to the Chairman of the Atomic Energy Commission a copy of his letter to the Department of Defense. This correspondence was circulated for the information of the Commission on January 27. At a Commission meeting on February 2, 1956, the AEC General Counsel discussed certain aspects of the Attorney General's opinion. Commission records reflect that Mr. Strauss attended this meeting.

"Sincerely yours,

"JOHN A. MCCONE,
"Chairman."

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF SECTION 602 OF AGRICULTURAL ACT OF 1954

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 602 of the Agricultural Act of 1954 (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Acting Secretary of Defense, transmitting, pursuant to law, a report on the overobligation of the appropriation "Military Personnel, Air Force, 1958" (with an accompanying report); to the Committee on Appropriations.

VALIDATION OF PAYMENT OF FAMILY SEPARATION ALLOWANCES TO MEMBERS OF UNIFORMED SERVICES

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to validate the payment of family separation allowances to members of the uniformed services (with an accompanying paper); to the Committee on Armed Services.

FEDERAL HOME LOAN AMENDMENTS OF 1959

A letter from the Chairman, Federal Home Loan Bank Board, Washington, D.C., transmitting a draft of proposed legislation to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and title IV of the National Housing Act, and for other purposes (with accompanying papers); to the Committee on Banking and Currency.

PAYMENT TO GOVERNMENT OF JAPAN

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to authorize a payment to the Government of Japan (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON FEDERAL HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Housing Administration, Housing and Home Finance Agency, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF BUFFALO (N.Y.) MUNICIPAL HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Buffalo Municipal Housing Authority, Buffalo, N.Y., Public Housing Administration, Housing and Home Finance Agency, dated May 1959 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON ALEXANDER HAMILTON BICENTENNIAL COMMISSION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Alexander Hamilton Bicentennial Commission, for the period August 20, 1954, through April 30, 1958 (with an accompanying report); to the Committee on Government Operations.

ECONOMIC AND TECHNICAL ASSISTANCE PROGRAM FOR PAKISTAN

A letter from the Comptroller General of the United States, transmitting a copy of his

letter, dated May 28, 1959, to the Acting Director, International Cooperation Administration, setting forth his views relating to his report, dated March 31, 1959, on examination of the economic and technical assistance program for Pakistan (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Commodity Credit Corporation, Department of Agriculture, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT OF EXAMINATION OF AIR FORCE CONTRACTS WITH GENERAL PRECISION LABORATORY, INC., PLEASANTVILLE, N.Y.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of negotiation of target prices under Department of the Air Force contracts with General Precision Laboratory, Inc., Pleasantville, N.Y., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Secretary of the Interior, transmitting, pursuant to law, a project proposal in the Jackson Valley Irrigation District, at Ione, Calif., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF AVIATION WAR-RISK INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war-risk insurance, as of March 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SECTION 4488 OF THE REVISED STATUTES, RELATING TO REGULATIONS GOVERNING CERTAIN EQUIPMENT ABOARD VESSELS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 4488 of the Revised Statutes, as amended, to authorize the Secretary of the Department in which the Coast Guard is operating to prescribe regulations governing lifesaving equipment, firefighting equipment, muster lists, ground tackle, hawsers, and bilge systems aboard vessels, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF SECTION 7 (5 U.S.C. 341 f), RELATING TO ACQUISITION OF CERTAIN LAND

A letter from the Attorney General, transmittting a draft of proposed legislation to amend section 7 of the act of July 28, 1950 (ch. 503, 64 Stat. 381; 5 U.S.C. 341 f), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution (with an accompanying paper); to the Committee on the Judiciary.

NOTICE OF APPLICATIONS FOR INTERLOCUTORY RELIEF AGAINST ORDERS OF CERTAIN ADMINISTRATIVE AGENCIES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (with an accompanying paper); to the Committee on the Judiciary.

COLOR ADDITIVE AMENDMENTS OF 1959

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used (with accompanying papers); to the Committee on Labor and Public Welfare.

WELFARE AND PENSION PLANS DISCLOSURE ACT AMENDMENTS OF 1959

A letter from the Acting Secretary of Labor, transmitting a draft of proposed legislation to amend the Welfare and Pension Plans Disclosure Act, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

AUTHORIZATION OF CERTAIN APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

A letter from the Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (with an accompanying paper); to the Joint Committee on Atomic Energy.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on records proposed for disposal under the law (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The President pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

" 'SENATE JOINT RESOLUTION 1

" 'Joint resolution memorializing the Congress of the United States to repeal the Pittman Act, and to amend the Desert Land Act by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located

" 'Whereas the Pittman Act, enacted in 1919, is a law specifically designed to encourage reclamation in only certain arid lands in the State of Nevada; and

" 'Whereas the purpose for which the law was enacted no longer exists; and

" 'Whereas under a provision of the Desert Land Act, Nevada is the only State in the Union wherein an applicant for land entry need not be a resident of the State; and

" 'Whereas the Pittman Act and the Desert Land Act are now being used by unscrupulous speculators and nonresident promoters to take advantage of unsuspecting residents of Nevada and other States of the Nation; and

" 'Whereas a great many of the land entries under the Pittman Act and the Desert Land Act are ill advised with respect to quality of soils, limited ground waters, economic location, and other factors basic to success and are later abandoned; and

" 'Whereas the clearing and cultivation activities on such later abandoned entries destroy the native vegetation, open the land surface to wind and water erosion and invite invasion by poisonous weeds; and

" 'Whereas the administration of a program by the U.S. Bureau of Land Management to assure proper resource management and development of long-term economic stability over the vast federally owned lands in Nevada is greatly hampered by unwise entries under the Pittman Act and the Desert Land Act entries; and

" 'Whereas the unwise entries under the Pittman Act and the Desert Land Act present grave danger to the present water control system on many established farms and ranches in Nevada: Now, therefore, be it

" '*Resolved by the Senate and Assembly of the State of Nevada (jointly)*, That the Congress of the United States is hereby urged to repeal the Pittman Act, being 43 United States Code, sections 351–360, and to amend a section of the Desert Land Act, being 43 United States Code, section 325, by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located; and be it further

" '*Resolved*, That a certified copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States, the Speaker of the House of Representatives and to each Member of the State of Nevada's congressional delegation.'

"Adopted by the senate, February 4, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHFEIL,
"Secretary of the Senate.

"Adopted by the assembly, February 24, 1959.

"CHESTER S. CHRISTENSEN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

" 'SENATE JOINT RESOLUTION 4

" 'Joint resolution memorializing the Congress of the United States to prepare adequate State water rights legislation

" 'Whereas depite repeated congressional recognition in many statutes, such as the Federal Power Act, the Desert Land Act, and, more recently, the Water Supply Act of 1958, that the States have and should have the primary interest and responsibility for the control and coordination of water use, a series of judicial decisions in the last decade and a half has cast some doubt on the authority of the States to perform their appropriate tasks in this field, and has suggested the possibility of unlimited Federal prerogatives concerning water which casts doubt on the basis of vested water rights and weakens the ability of the States successfully to coordinate water development; and

" 'Whereas factors involved in water development are peculiarly dependent on local geography, climate, and economic needs and are consequently best handled within our Federal system by the State level of government; and

" 'Whereas the traditional role of the States in the administration, conservation and utilization of their water resources has led in the direction of optimum harmonious development of these water resources; and

" 'Whereas Federal agencies which have complied with State water laws in obedience to the expressed intent of Congress have not thereby jeopardized any of the legitimate interests of the Federal Government; and

" 'Whereas doubts raised by these judicial decisions as to the basis of vested water

rights, present and future, and doubts as to the relationships between the Federal and State Governments will, without corrective congressional action, tend to delay much needed water development for an indefinite time and discourage the States in their efforts to make such needed improvements in their facilities for water resource planning and development: Now, therefore, be it

"'*Resolved by the Senate and assembly of the State of Nevada, jointly,* That the Congress of the United States is hereby memorialized to enact legislation in unmistakable and effective terms to provide that the States have primary responsibility and authority for the administration and development of water resources within their boundaries; that such law be so clear and unambiguous as to be incapable of evasion by either executive order or judicial interpretations; and that such law require every agency, permittee, licensee, and employee of the Federal Government, as a condition precedent to the taking or use of any water, to acquire a right to the use thereof in conformity with State laws and procedures relating to the control, appropriation, use or distribution of such water; and be it further

"'*Resolved,* That the Congress of the United States is hereby memorialized to enact legislation defining the waters originating on federally owned or controlled lands which contribute to flowing or moving surface or ground waters, and thereby eliminate the doubts created by recent judicial decisions, and clarify the relations of the Federal and State Governments in the water field, so as to minimize litigation and delays and allow water development by the Federal and State Governments to proceed on a harmonious basis; and be it further

"'*Resolved,* That certified copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the United States, Vice President of the United States, Secretary of the Interior, Secretary of Agriculture, Speaker of the House of Representatives and each member of Nevada's congressional delegation.'

"Adopted by the senate February 12, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHLFEIL,
"Secretary of the Senate.

"Adopted by the assembly March 4, 1959.

"CHESTER S. CHRISTMAN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Labor and Public Welfare:

"'ASSEMBLY JOINT RESOLUTION 14

"'Joint resolution memorializing the Congress of the United States to grant Federal loans to needy students for graduate studies and providing for repayment over 20 years

"'Whereas numbers of our young people are prevented from pursuing graduate courses of study because of lack of funds; and

"'Whereas in the interest of national defense the Federal Government would profit from increased education for certain students: Now, therefore, be it

"'*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the Congress of the United States be, and the same hereby is memorialzed to authorize Federal loans to needy college or university students for the pursuit of graduate studies when the following conditions are met: Need for such assistance; and graduation from a basic college course, and certification by the college that the student is qualified for higher training; and repayment, with interest, over a 20-year period; and be it further

"'*Resolved,* That certified copies of this resolution be forwarded by the Legislative Counsel to the President of the Senate, the Speaker of the House of Representatives, and each member of the Nevada congressional delegation.'

"Adopted by the senate March 14, 1959.

"REX BELL,
"President of the Senate.
"LEALA H. WOHLFEIL,
"Secretary of the Senate.

"Adopted by the assembly March 5, 1959.

"CHESTER S. CHRISTENSEN,
"Speaker of the Assembly.
"NATHAN T. HURST,
"Chief Clerk of the Assembly."

A resolution adopted by the Long Island Federation of Women's Clubs, Inc., at Rockville Center, N.Y., favoring the restoration of a sound fiscal policy; to the Committee on Appropriations.

A resolution adopted by the Official Board of the Methodist Church, of Slingerlands, N.Y., protesting against the recognition of Red China and its inclusion in the United Nations; to the Committee on Foreign Relations.

The petition of D. C. Kent, of Wilmington, N.C., praying for the enactment of legislation to provide more statisticians in cancer research; to the Committee on Labor and Public Welfare.

A letter, in the nature of a memorial, from the J. J. Jones General Fire Insurance Agency, Coolidge, Ariz., signed by J. J. Jones, remonstrating against the activities of certain union bosses against the United States; to the Committee on Labor and Public Welfare.

A resolution adopted by the West Valley Associated Chambers of Commerce, Woodland Hills, Calif., favoring the enactment of legislation to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Public Works.

A resolution adopted by the Colorado State Highway Commission, favoring the enactment of legislation to continue the construction of the National System of Interstate and Defense Highways; to the Committee on Public Works.

A resolution adopted by the Municipal Board of the City of Dumaguete, Philippine Islands, expressing thanks to certain persons and organizations for their active participation in the promotion of international good will; ordered to lie on the table.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself and the junior Senator from South Carolina [Mr. THURMOND], I present for appropriate reference, a concurrent resolution of the General Assembly of South Carolina memorializing Congress to request the Government department administering social-security benefits to liberalize the requirements for such benefits, or to enact suitable legislation effecting this end.

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

CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO REQUEST THE GOVERNMENT DEPARTMENT ADMINISTERING SOCIAL-SECURITY BENEFITS TO LIBERALIZE THE REQUIREMENTS FOR SUCH BENEFITS, OR TO ENACT SUITABLE LEGISLATION EFFECTING THIS END

Whereas the General Assembly believes that there are many citizens of the entire country below the age of 65—when the benefits of social security become automatic for those who have made the required payments—who have contributed to social security for many years and find themselves disabled physically to such an extent that they are unable to earn a living, yet are not disabled to such an extent as to satisfy the Social Security Administration and to bring them within the provisions of the statutes governing social security; and

Whereas the General Assembly believes that the requirements of the Social Security Administration should be liberalized either through regulations issued by such administration or by laws of Congress so as to make possible the enjoyment of the benefits of the system by many worthy persons who are below the age of 65 and yet who have contributed faithfully to the social-security system and who are disabled to such an extent that they cannot earn a respectable living for themselves and their families: Now, therefore, be it

Resolved by the Senate, the House of Representatives concurring, That the Congress of the United States is hereby memorialized to request the Social Security Administration to liberalize its requirements for disability so as to enable worthy citizens below the age of 65 to enjoy the benefits of the system to which they have faithfully contributed over a period of many years; or to enact suitable legislation effecting this end whichever the Congress deems right and proper; be it further

Resolved, That a copy of this resolution be forwarded to the Clerk of each House of the U.S. Congress in Washington and to each U.S. Senator from the State of South Carolina and each Member of the House of Representatives of Congress from this State.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of South Carolina identical to the foregoing, which was referred to the Committee on Finance.

EGG PRICES—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received in regard to the price of eggs in the Midwest. For the fifth time—one, two, three, four, five—for the fifth time, Mr. President, I have brought to the attention of this body the fact that the farmers in that area are receiving 16, 17, or 18 cents a dozen for their eggs—which, on the basis of the 50-cent dollar, means 8 or 9 cents a dozen, I have asked, time and time again, that this matter be brought to the attention of the Committee on Agriculture and Forestry and to the attention of the Secretary of Agriculture. I want to do so once more; therefore, I ask unanimous consent that the letter be printed in the body of the RECORD, and also be appropriately referred.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

MINOT, N. DAK., *May 22, 1959.*

HON. WILLIAM LANGER,
U.S. Senator, Washington, D.C.

DEAR MR. LANGER: In regards to the egg situation. What do you think of the low prices on eggs sold to retail stores? Do you think they (retail stores) have to make a 12- to 15-cent profit per dozen on eggs—delivered to the store by the farmer-producer and all other consumer goods are up?

At the present price of eggs we have a hard time to make expenses.

The workingman or consumer could buy more eggs if there were only an 8-cent profit or one-half the increase in price. We receive 22 cents in trade and they sell out for 35 cents and more. No. 1 eggs Minot, 22 cents in trade at the store. The Western States seem to hold the egg price up.

ABEL BEATON.

TRANSFER OF CERTAIN FUNDS IN DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—TELEGRAM

Mr. LANGER. Mr. President, I ask unanimous consent that a telegram, received by me, from Ethel Heising, director of the North Dakota State lunch program, relating to the transfer of certain funds in the Department of Agriculture appropriation bill, may be printed in the RECORD.

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

BISMARCK, N. DAK., *May 30, 1959.*

SENATOR WILLIAM LANGER,
Washington, D.C.:

Understand school lunch will be discussed on the Senate floor Monday wish to urge that the $43 million to be transferred from section 32 either be used as cash reimbursement or be given clear mandate to use transferred funds to purchase section 6 food early in the year unless clear mandate is given money will probably be spent in the late year for section 31 (32) items such as dried eggs purchased last year.

ETHEL HEISING,
Director, State Lunch Program.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

James A. Kelly, and Peter S. VanNort, midshipmen (Naval Academy), to be ensigns in the restricted line of the Navy;

Daniel E. Ralston, midshipman (Naval Academy) to be an ensign in the Supply Corps of the Navy;

Richard M. Krol (Naval Reserve Officers' Training Corps) to be an ensign in the line of the Navy;

Alan G. Brown (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy;

Arthur E. Archambault, Naval Academy graduate, for permanent appointment to the rank of second lieutenant in the Marine Corps; and

Robert M. Hall, Army Reserve Officers' Training Corps, for permanent appointment to the rank of second lieutenant in the Marine Corps.

BILLS INTRODUCED

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

By Mr. PROXMIRE:

S. 2081. A bill for the relief of Yadwiga Boczar; to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. WILEY):

S. 2082. A bill to provide for the issuance of nonquota immigrant visas to certain aliens; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. ALLOTT, Mr. BEALL, Mr. BUSH, Mr. CAPEHART, Mr. CASE of New Jersey, Mr. JAVITS, Mr. PROUTY, and Mr. SCOTT):

S. 2083. A bill to abolish mandatory capital punishment in the District of Columbia; to the Committee on the District of Columbia.

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

By Mr. GOLDWATER:

S. 2084. A bill for the relief of Tam Sui Wah; to the Committee on the Judiciary.

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

S. 2085. A bill to authorize the use of funds arising from a judgment in favor of the Kiowa, Comanche, and Apache Tribes of Indians of Oklahoma and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 2086. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Interstate and Foreign Commerce.

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

RECOGNITION OF POLISH LEGION OF AMERICAN VETERANS AS A BONA FIDE VETERANS ORGANIZATION

Mr. BUSH (for himself and Mr. DODD) submitted the following concurrent resolution (S. Con. Res. 40); which was referred to the Committee on Finance:

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby recognizes the Polish Legion of American Veterans (a nonprofit corporation created under the laws of the State of Illinois, certificate numbered 3746) as being a bona fide, patriotic, nonpolitical, veterans' organization. It is therefore the sense of the Congress that, in the administration of section 3402 of title 38 of the United States Code, the Administrator of Veterans' Affairs should, subject to the provisions of such section, recognize representatives of such organization in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

ABOLITION OF CAPITAL PUNISHMENT IN THE DISTRICT OF COLUMBIA

Mr. KEATING. Mr. President, on behalf of Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, SCOTT, and myself, I introduce, for appropriate reference, a bill to abolish mandatory capital punishment in the District of Columbia.

Under the provisions of the bill, it would be discretionary with a jury in murder cases to recommend either the death penalty or life imprisonment. Under the present District of Columbia law, death is the automatic punishment in all first degree murder cases without regard to the facts and circumstances in a particular case. I believe that such rigid justice is self-defeating. Mandatory capital punishment has been abolished in all the States, and it is high time that the District of Columbia Code was attuned to the practice in the rest of the country.

The language of the present bill is patterned after the provisions of the New York Criminal Code. I offer the bill in this form merely as a guide for action, since I recognize that there are a number of other procedures which could be utilized.

Under the Federal Criminal Code, for example, imprisonment for life must be imposed by the court if the jury qualifies its verdict of guilty by adding thereto "without capital punishment." Under the New York law, a jury recommendation of life imprisonment is not absolutely binding on the court, although in practice it is almost always followed. Another procedure, advanced by the American Law Institute contemplates a separate hearing with regard to imposition of the death penalty after a judgement of guilt. A possible advantage of this is that it would permit evidence to be presented on the issue of punishment which might not be admissible in the trial of the actual offense. I hope that all of these proposals will be studied by the District of Columbia Committee when it considers this subject.

Mr. President, our criminal laws have undergone a steady humanizing process. Nothing is more consonant with this trend than recognition of the principle that the punishment must fit the crime. Such factors as the age of the defendant, his prior record of criminal activity, his mental condition, and the actual degree of his complicity in joint crimes certainly should be weighed in assessing an appropriate penalty for his offense. This cannot be done under the present archaic provisions of the District of Columbia Code. Since it is our lot, albeit unhappily, to act as the local legislature for the District of Columbia, it is incumbent that we take the action necessary to carry out this most needed reform. I should be surprised if opposition developed to the merits of this bill from any source except for a few lawyers who see some tactical advantage in confronting a jury with a stark choice between completely freeing the defendant or sentencing him to death. We have long since abandoned this approach to law as a game of wits.

Mr. President, the citizens of the District of Columbia should be grateful for the outstanding work done on this problem during the recent meeting of the Judicial Conference for this circuit. I hope that Congress will give its prompt attention to the recommendations of this eminent group of judges and lawyers. Their study has exposed the needs of the situation It is our duty to fashion a solution which will most adequately reflect the requirements of sound legislation in this area.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD; and that the bill be allowed to lie on the desk until June 8, to give any other Senators who might desire to do so an opportunity to join as cosponsors.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk

until June 8, as requested by the Senator from New York.

The bill (S. 2083) to abolish mandatory capital punishment in the District of Columbia, introduced by Mr. KEATING, for himself and Senators ALLOTT, BEALL, BUSH, CAPEHART, CASE of New Jersey, JAVITS, PROUTY, and SCOTT, was received, read twice by its title, referred to the Committee on the District of Columbia, 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 section 801 of the Act entitled "An Act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat. 1189, 1321), is amended to read as follows:

"SEC. 801. Punishment.—The punishment of murder in the first degree shall be death by electrocution unless the jury recommends life imprisonment. A jury finding a person guilty of murder in the first degree may, as a part of its verdict, recommend that the defendant be imprisoned for life. Upon such recommendation, the court may sentence the defendant to imprisonment for life. The punishment of murder in the second degree shall be imprisonment for life, or for not less than twenty years."

AMENDMENT OF MUTUAL SECURITY ACT—AMENDMENTS

Mr. MANSFIELD submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend the Mutual Security Act of 1954, as amended, which were referred to the Committee on Foreign Relations and ordered to be printed.

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENTS

Mr. ANDERSON. Mr. President, I submit amendments, intended to be proposed by me to 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. I ask unanimous consent that a statement, prepared by me, relating to the amendments, be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. ANDERSON is as follows:

STATEMENT BY SENATOR ANDERSON

I propose an amendment to H.R. 2411, a bill presently pending before the Senate Finance Committee. H.R. 2411 is designed to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

My amendment would add a new section which will clarify and make uniform the present dutiable status of wood moldings imported into this country. Previously I introduced S. 913, which would accomplish the same objective. However, the executive departments concerned have raised objections to the language used in S. 913. One of the main objections voiced was of a technical nature, and I have rewritten the present amendment to make every effort to correct the bill in the eyes of the reporting departments.

Briefly, imported wood moldings used in construction work have been classified and taxed at the same rate as regular mill-run lumber of the common grades. Anyone familiar with these products knows that there is a great deal of difference in their respective value. On behalf of the manufacturers of wood molding in the Southwest, I brought this disparity to the attention of the Customs Bureau last fall when that office was considering the problem of glued-up molding. This is a process whereby two short pieces of wood are finger-joined and glued to make one longer product. At that time, the Bureau properly recognized the fairness both to the U.S. Treasury and our domestic producers, and by administrative action reclassified joined-moldings whereby they will now be taxed at 16⅔ percent ad valorem. But although the Bureau took a step in the right direction, it failed to fully correct the situation with respect to a solid piece of molding. A solid piece has never been broken or joined and is probably more valuable for that reason alone. I asked why this was not done, and the answer was that since molding has been classified as common lumber for so long, the Bureau took the position that this presumed congressional sanction. Therefore they concluded it will take congressional action to change the classification. I believe this could be done within the discretion allowed the administrative agency, but for purposes of erasing all doubt about the intent of Congress, I propose to amend the statutes.

My proposal would tax all moldings at the same rate now applied to wood moldings used in architectural and furniture decoration. Under the present trade agreements applicable, this will be 17 percent ad valorem. I think such action by the Congress is justified for purposes of clarifying procedure and taking a realistic appraisal of what could develop into a serious problem. It is my understanding that hearings will be held on H.R. 2411, and at such time an opportunity will be provided to hear all of the evidence on this matter. With this prospective advantage, we can decide which position will best determine the public interest.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960—AMENDMENTS

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him, to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. COOPER submitted amendments, intended to be proposed by him to House bill 7175, supra, which were ordered to lie on the table and to be printed.

Mr. DOUGLAS. Mr. President, on behalf of myself, and the Senator from Oregon [Mr. NEUBERGER], I submit two amendments, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as folilows:

On page 20, line 6, strike out the figure "$39,135,000" and insert in lieu thereof the figure "$28,135,000".

On page 25, line 14, strike out the figure "$1,431,665" and insert in lieu thereof the figure "$1,269,665".

Mr. DOUGLAS. Mr. President, also, on behalf of myself, and the Senator from Minnesota [Mr HUMPHREY], I submit an amendment, intended to be proposed by us, jointly, to House bill 7175, the Department of Agriculture appropriation bill. I ask unanimous consent that the amendment may be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 30, line 10, strike out the period at the end thereof and insert in lieu thereof a colon and the following: "*Provided,* That no funds or stocks of the Commodity Credit Corporation shall be utilized for the purpose of carrying out price-support operations for any crop planted after January 1, 1960, for which the Secretary has failed to provide acreage allotments, production goals, and marketing practices pursuant to section 401 (c) of the Agricultural Act of 1949, as amended."

NOTICE OF MOTION TO SUSPEND THE RULE — AMENDMENT TO AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. WILLIAMS of Delaware submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, the following amendment, viz:

At the appropriate place add the following new section:

"SEC. —. The Agricultural Act of 1949, as amended, is amended effective beginning with 1960 production by inserting after section 420 the following new section:

" 'SEC. 421. The total amount of price support extended to any person on any year's production of agricultural commodities through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. Department of Agriculture, shall not exceed $35,000. The term "person" shall mean any individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity or a State, political subdivision of a State or an agency thereof. The Secretary shall issue regulations prescribing such rules as he determines necessary to assure a fair and effective application of such limitation, and to prevent the evasion of such limitation.

" 'In the case of any loan to, or purchase from, a cooperative marketing organization the limitation of $35,000 shall not apply to the amount of price support extended to the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support extended to such person for the purpose of applying such limitation'."

Mr. WILLIAMS of Delaware also submitted an amendment, intended to be proposed by him, to House bill 7175, making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

SALE OF CERTAIN MINERALS AND METALS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of May 26, 1959, the name of the Senator from Alaska [Mr. GRUENING] was added as an additional cosponsor of the bill (S. 2048) relating to the sale of certain minerals and metals acquired by the United States, introduced on May 26, 1959, by Mr. MURRAY (for himself and Senators ALLOTT, BARTLETT, BIBLE, CANNON, CHAVEZ, CHURCH, GOLDWATER, HAYDEN, MANSFIELD, MARTIN, MOSS, and YOUNG of Ohio).

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. ERVIN:

Address delivered by Senator SYMINGTON at annual dinner of Chamber of Commerce of Winston-Salem, N.C., May 21, 1959.

Excerpts from address by Senator HARTKE at State convention of Young Democrats of North Carolina, Raleigh, N.C., on April 30, 1959.

By Mr. GOLDWATER:

Address delivered by Senator ALLOTT before Episcopal diocesan convention, Denver, Colo., May 6, 1959.

By Mr. MONRONEY:

Article published in the New York Journal-American of Sunday, May 31, 1959, entitled "And Now We're Losing the War of Oceans."

CONSTRUCTION OF ATOM SMASHER BY MIDWEST UNIVERSITY RESEARCH ASSOCIATION

Mr. PROXMIRE. Mr. President, for a long time the Midwest University Research Association has been working toward the construction of an atom smasher which would be many times more powerful than any other anywhere in the world. It would permit this country to leap far ahead of the Soviet Union in pure research in physics.

This association, known as MURA, is made up of some of the greatest universities in the country including all the Big Ten universities and several other Midwest institutions that are internationally famed for the strength of their physics departments.

More than a year ago they had proven the practicality of the brilliant new design of their unique machine. In fact, their atom smasher had even then been more thoroughly tested in model stage than any ever constructed.

Construction of the machine will cost $100 million. To date, they have not received the go-ahead from the Atomic Energy Commission or the Congress.

These MURA scientists have been as patient as Job. Just recently they have shown another sterling quality. President Eisenhower announced, last month, that he favored the construction of a $100 million atom smasher at Stanford, a so-called linear machine that would be 2 miles in length. This machine would, at best, develop one-twentieth to one-tenth the voltage of the MURA machine, although the cost would be the same. It would be added to several other atom smashers on the west coast, although there are none in the Middle West. There are also several on the east coast. Because these machines are immensely useful in research in high-energy physics, their presence on both coasts adds substantial strength to the faculties of educational institutions on both coasts, at considerable competitive cost to our great midwestern universities.

For all these reasons, I was at first disturbed and concerned about the President's announcement of plans to build the new atom smasher at Stanford.

I immediately got in touch with the executive director of MURA, Prof. Ragnar Rollefson, of the University of Wisconsin. Dr. Rollefson's reply impressed me very deeply. Far from expressing disappointment or antagonism to the President's proposal for Stanford, he was enthusiastic. He told me that, in his judgment, the President was right; that his decision would benefit the scientific community and the Nation.

Mr. President, in an era of cynical, ruthless competition for Government dollars, in which even university faculties fight tooth and nail for advantage, I think this attitude of the scientists of MURA merits commendation. This is scientific statesmanship.

I earnestly hope, Mr. President, that this high-minded, unselfish attitude will be remembered. MURA scientists are working at this very moment in Madison, Wis., on their third model of a clashing beam accelerator which can put us far ahead of Russia in pure research in high energy physics, and may truly revolutionize the future of mankind. I trust that when these great MURA scientists again come before the Atomic Energy Commission they will be given the same statesmanlike consideration they now give their Stanford colleagues. Incidentally, Dr. Rollefson expressed the hope to me that the MURA research at Madison will lead to the design for the next large accelerator to be constructed in the United States.

Mr. President, I ask unanimous consent that a letter to me from Dr. Rollefson, explaining his enthusiastic support of the Stanford linear electron accelerator, be printed in the RECORD at this point.

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

THE UNIVERSITY OF WISCONSIN,
Madison, Wis., May 27, 1959.

The Honorable WILLIAM R. PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing in response to your questions regarding the present progress of the MURA program and the relationship between the MURA and Stanford programs.

First, let me say that we were delighted to learn that the President is going to recommend authorization of the Stanford linear electron accelerator. This is an excellent machine which is essentially a longer model of the accelerator already operating at Stanford, and since it involves no new techniques its performance and cost can be rather accurately predicted. The program will be under the direction of topnotch scientists who have the benefit of several years' experience with the smaller machine.

There are some who argue that it may be a mistake to go ahead with the large electron accelerator (15 to 45 Bev) before the 7 Bev machine at Harvard-MIT is in operation and can give a better indication of what may be expected at these higher energies. A detailed discussion of this point would be out of place here (even if I were prepared to give one). Suffice it to say that a very capable committee looked into the accelerator problem for the President and we know that they sought the best available advice before making their decision.

I should point out that the Stanford and MURA programs are not competitors in a scientific sense but will rather complement one another and give a more complete coverage of the high energy field than would be possible with either machine alone. The Stanford accelerator produces extremely high energy electrons which can be used for such things as probing the charge distribution in nuclear particles. The MURA machine, on the other hand, will produce high energy protons in great abundance, and these can be used for such things as creating beams of the strange new particles and antiparticles which have been discovered recently. These secondary beams of particles can then be used to study in more detail the nature of the strange particles. In the colliding beam version, the MURA accelerator would produce collisions between particles which are 10 to 100 times as energetic as can be produced in existing accelerators.

So far as the MURA program is concerned, I can report that the single ring, two-way electron model, which was being designed when you visited the laboratory, is now nearing completion. The component parts are all shaping up as planned, the only difficulty being that everything takes a little longer than we should like. For example, although we have two shifts working on the magnets, it will be another month before the measurements and adjustments of field strength can be completed.

In addition to completing the construction of the two-way electron model, we are proceeding with the design and construction of component models for a large accelerator. These are necessary both to aid in the detailed design of a large machine and to enable us to make realistic cost estimates.

In all of the above development work we are receiving excellent support and encouragement from the Atomic Energy Commission. We are being supported by them on a continuing basis as an accelerator development laboratory and it is our hope that these developments will lead to the design for the next large accelerator to be constructed in the United States.

We wish to thank you again for your interest and encouragement and we hope this reply to your questions has not been too long-winded. If you have a few minutes to spare in Madison sometime this summer, it would be a real pleasure to show you the two-way model.

Sincerely yours,

R. ROLLEFSON.

THE AMERICAN ECONOMY

Mr. PROXMIRE. Mr. President, the Wall Street Journal on last Friday carried a report by their reporter, Henry Gemmill, which should serve a grave warning on all of us who are concerned with the health and strength of the American economy. We are losing some of our closest and best customers, and if the recent past has brought us bad news in the competitive world market, the future looks far blacker unless we take a long, hard, serious, thoughtful look, and then act, and act vigorously.

Mr. President, this article is so timely and so well documented that I ask unanimous consent to have it printed in the RECORD following these remarks.

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

GRINGO GRIP ON LATIN MARKETS IS LOOSENED BY PUSHING UP PRICES—EUROPEANS, JAPANESE EMPLOY THE HARD SELL, SOFT CREDIT TO PEDDLE MYRIAD PRODUCTS—BUT MR. GRACE IS OPTIMISTIC

(By Henry Gemmill)

CARACAS, Venezuela.—Is another round of wage hikes—for steel and then other industries—likely to price U.S. goods out of world markets? A reporter roaming the Latin lands in America's backyard gets the horse-laugh when he asks that question. It has already happened, to item after item.

John Wynne, general manager of a leading import firm here, Officina Technica Stubbins, C.A., hails a subordinate on his intercom and checks competitive prices on an assortment of sizes and types of pipes and tubing—steel, cast iron, and galvanized. In nearly every case, the European quotation runs about 25 percent below the Yankee price.

"We used to represent only American suppliers," comments importer Wynne, "but now if a Venezuelan wants, say, some water pipe, he's not going to take it from the United States unless he's crazy or in a terrible hurry. We've switched over to a British mill—Stewarts & Lloyds."

In Bogotá, capital of neighboring Colombia, a foreign trade expert thumbs through a report on the delivered prices of electric motors, tiny to gigantic, manufactured in the United States, West Germany, Switzerland, and other nations. Without exception, the American models are undercut by at least 20 percent by comparable European motors—and in some instances, by more than 50 percent.

GLASS AND TELEPHONES

In Buenos Aires, Industrias Kaiser Argentina, maker of jeeps and passenger cars, has been importing most of its raw material, including sheet steel, from less costly European sources.

In Colon, Panama, a visitor tours a little factory making louvered windows and store fronts; it's owned by W. P. Fuller & Co. of San Francisco. "We're still getting our aluminum extrusions from Florida," remarks General Manager Neil Fuller, "but the glass comes from France and Belgium—it's at least 25 percent cheaper."

In San Jose, Costa Rica, bids were recently submitted to give the neat little country a complete new telephone system, under government contract. They came from a Japanese firm, a British company, and an Italian combine. "A Yankee phone firm had a man down here," a diplomat recalls, "but he said it was no use even going through the motions of trying to meet their prices; he was just rooting for the Italians, who would make their equipment under U.S. license."

For the United States to begin losing its grasp on this segment of the world market is, in a way, quite an achievement. "It takes some doing," wryly comments one U.S. commercial attaché. "Not only are these countries enormously closer to us than to Europe and Japan in terms of physical distance; they've also been closer to us psychologically. They remember vividly that during World War II they found only their American sources of supply remained dependable. Since then, until very recently, these places have been practically our private reserve."

TREND OF THE FIGURES

To a large extent, they still are. Here in Venezuela, for instance, 57.2 percent of all last year's imports, by value, flowed from the United States. But the thing to watch is the trend; this figure compared with 66.8 percent the year before. No other single nation supplied so much as a tenth of total 1958 shipments into this lush market, but again the trend was startling. The West Germans and Japanese surpassed their 1957 share of the market by about 12 percent; the British hiked their share 25 percent; the Italians chalked up a 65 percent gain. Even the Canadians, in this hemisphere, managed a 40 percent advance.

Any attempt to get a sweeping statistical picture of Latin American trade founders on the fact that some countries are still struggling to come up with 1957 figures and have yet to start on 1958. But here and there samples can be obtained which speak loud and clear. Glance, for instance, at a table showing the number of passenger cars brought into little Costa Rica from manufacturing countries during the past 3 years:

	1956	1957	1958
United States	530	452	256
Germany	108	159	282
England	184	232	205
France	90	71	120
Italy	41	67	76
Others	8	16	14

What this boils down to is the fact that in this one small market the United States managed to tumble within 2 years from a 55 percent share of auto sales to a 27 percent share, with Germany whizzing ahead. Observation indicates this is quite typical of what is happening elsewhere. True, there are other factors besides prices. Taxes are heavier on the bigger U.S. cars. Low-slung American chariots are likely to lose their mufflers, or more, a few moments after turning off the paved highway onto the typical Latin American back road.

THE LAST LAUGH

To compare similar products, which Latin American consumers buy primarily on price, take a look then at Costa Rica imports of utility vehicles—represented by such makes as the U.S. Jeep, the British Land Rover, the Japanese Toyota:

	1956	1957	1958
United States	174	134	65
Japan	2	84	142
England	87	142	125
Germany	0	0	17
France	0	0	5

"The Jeep distributor here laughed when the Japanese first invaded this market," recalls an American in the Costa Rican capital. "He said he'd just wait for customers to see how soon the Toyotas fell apart." But, as a local repair shop boss testifies, they haven't fallen apart—and the Costa Ricans keep buying more and more.

Some experts on Latin trade remain optimistic about the future of American exports, however. Though noting that U.S. shipments to southern lands of this hemisphere dropped from $4.6 billion in 1957 to $4 billion last year, J. Peter Grace, president of W. R. Grace & Co., argues, "There are certain factors in the picture which indicate we are not about to lose our share of the Latin American market." His company's economists produce figures showing that in the 1953–58 period average hourly factory wages in the United States increased 20 percent—but those in Japan rose 24 percent; in Britain, 34 percent; in Germany, 39 percent; in France, 48 percent; in Holland, 54 percent.

The significance of such statistics can be debated endlessly; one top American steel executive remarks that U.S. wage rates are so high that even a 5 percent hike can add more to the absolute cost of a ton of American steel than a 10 percent pay boost adds to the ton cost of steel abroad.

Peering ahead, Mr. Grace does emphasize that "there is no substitute for aggressive selling." And quite apart from pricing, it is difficult to avoid the conclusion that the United States is now often being outdone on its own creation, the hard sell.

It is possible to pick up a copy of the daily Prensa Libre in Guatemala City and find not a single ad for a U.S. auto—but spreads pushing such vehicles as the French Renault Dauphine. In another newspaper, El Imparcial, the only color ad trumpets the "elegance, economy and quality" of the Italian Fiat—and this same make turns up on the local movie screen in a brief but thrilling commercial showing a little red car careening around mountain curves while a glamorous senorita waves alluringly at the consumer audience. Here in Venezuela, the Japanese utility car is selling well partly because it has been dubbed "El Macho," which means "The He-Man"—a name that tickles the Latin temperament.

"If the Americans are going to keep selling here, they'll have to use more personal contact," says Hubert Federspiel, head of Universal, an organization which doubles as top San Jose department store and wholesaler to many other shops throughout Costa Rica. "Since January we've had fewer than 30 U.S. salesmen visit us, against more than 100 from Japan, Germany and France." He's so taken with Japanese wares and merchandising that he made a trip to Osaka last year and plans another soon. The only radio he sells is the Dutch-made Philips. He runs a printing shop, using mostly gleaming new German presses and Swedish paper.

Latin America is still reverberating from the tour this year of the Japanese display freighter, *Atlas Maru*, which touched most of the major ports. The emphasis was on showing off wares of high quality—with more attention given to industrial equipment than to familiar consumer items such as chinaware. About three score Japanese businessmen tagged along with the floating trade fair—but did their traveling by plane, so they could be doing business while the ship was at sea.

Japanese printing bills must be running high. "Did you ever see such a beautiful catalog?" inquires Dr. Carlos Guinand, head of a big construction company here in Caracas. He flourishes a volume put out by the Mitsubishi combine which makes heavy equipment in Japan; in Panama, merchant Alberto Motta exhibits, with similar cries of admiration, a similar thick illustrated catalog by Hitachi. Senor Motta also declares that Japanese companies, unlike Yankee rivals, go to the trouble of quoting delivered prices—and after the sale is made they give complete and detailed schedules of shipment and delivery dates. This combined with pricing ($23 for a handsomely designed eight-transistor, short-and-long-wave radio, in leather case) is enough for him; he's ordering and reordering items by the hundreds.

Credit is another weapon. "Europeans often will accept payment over 3 years while

the Americans are practically demanding cash," says Mr. Wynne of the Stubbins import firm here.

A good number of Yankee wares still meet no real competition because they are unapproached in technical excellence, he declares; among such he lists much heavy earth-moving equipment and laundry machinery. But even rather complex items are meeting new competition; a Japanese paint sprayer has moved in to undercut the price of American models, and German firefighting equipment of high quality is coming into Venezuela at prices 30 percent below U.S. prices.

Some Europeans are popping up with products that strike Latins as more modern, more advanced, than anything the gringos are offering. Item: A sleek and compact telephone made by L. M. Ericsson of Sweden; the dialing device and the handset have been engineered into one light and bright piece of plastic.

Many businessmen testify that the Yanks have not as yet felt the full impact of existing competition from other nations. There are a number of filters through which each challenge to an established American product must pass, and sometimes these delay the effect for many months. One of these filters is the big import house, which has its lines of representation well established and is reluctant to change. Skillful agents to handle new lines from Europe or the Orient are not easy to find.

One Japanese grins when he tells about his troubles in Peru. As sales director for the Nippon Toki Kaisha Chinaware concern, Y. Miyauchi, of Nagoya, traveled to Lima in 1957 and signed up a representative who knew china very well and seemed like an excellent salesman. But no sales. Mr. Miyauchi has just made a second visit to Lima and found out why; his agent was simply not socially acceptable to the rather aristocratic gentlemen who run Lima's better stores. So now another fellow has become the representative; he is a used car dealer who knows little about dinnerware but is honored as a member of the Rotary Club—already he's doing fine. Snickers Mr. Miyauchi: "From now on, I'm signing up nobody but Rotarians."

Another filter is established popular preference for branded gringo goods. "Their prestige is still fantastic," marvels a Panama merchant. "It's gotta be a Stetson hat, a General Electric refrigerator, a Maidenform bra." Here in Caracas elevators by Otis and Westinghouse are reported selling well, though prices are undercut by European rivals.

But prestige, too, can be subject to gradual erosion. In a strange way this is exemplified in Colombia, where new car imports have been prohibited the last couple of years. A 3-year-old American car originally priced at around $3,000 can now be sold at a figure inflated to around $4,000. But the reputation of the German Mercedes Benz for holding up without major repairs has in the same period enhanced its original $3,000 value to something like $6,500.

Many an American corporation is an active participant in the shift of imports away from the United States to Europe. In Brazil, International Harvester has been bringing in all its farm tractors from European affiliates rather than from the States, because they're cheaper. A large percentage of Ford tractors have been hauled from Great Britain for the same reason. A good share of the European cars flooding Central America come from General Motors and Ford plants in Germany and England. This reporter, checking into the overcrowded Tamanaco Hotel in Caracas, spent his first night in one of its offices, kept awake by the clicking of an I.B.M. machine—made in Germany.

Riding with a wave of Latin protectionism, numbers of Yankee corporations have also been setting up factories within South American lands—which saves these markets for the companies but reduces U.S. exports. G.M. autos and Arrow shirts are selling well in Venezuela, for instance—but they are made here. Such boom towns as Valencia in this country, Cali in Colombia, and San Paulo in Brazil are crammed with new plants of American companies.

Even the U.S. exporting firms often find themselves forced to move with the tide against products made in America. H. L. Buschman, president of Grey International Corp., of New York, pauses during a visit here to tell a fairly typical tale. He had swung a deal for more than $3 million worth of steel pipe for a water project, and was prepared to buy it in the United States since he had managed to get a stateside quotation only 5 percent higher than a low bid from Germany. But conference shipping rates from the United States proved sharply higher than those on the longer haul from Europe. While he was dickering to get an exception to these high freight rates, France came through with a pipe price undercutting the United States by 25 percent—and that's where he filled his order.

ADMINISTRATION'S WORDS SPEAK LOUDER THAN ACTION IN MEETING CHALLENGE TO EDUCATION

Mr. NEUBERGER. Mr. President, last week the President's Science Advisory Committee issued a 16,000-word report urging that the United States at least double its current annual investment in education. The Committee asserted that such a goal is "probably a minimal rather than an extravagant goal," and declared, "A broad base of education is needed to make America a better place in which to live—and a stronger Nation more likely to survive."

In a statement released with the Committee's report, President Eisenhower called for the strengthening of all education to meet the domestic and international challenge to our schools. He stressed the importance of raising the standing of teachers and stated that higher salaries for teachers are a first requirement.

Mr. President, I think that the objectives stated by the Science Advisory Committee and President Eisenhower are highly laudable. I regret that the administration has not seen fit to back legislation which would aid in making these worthwhile goals become reality.

NEED IS FOR ACTION

It seems to me that the administration suffers from political schizophrenia on educational issues.

President Eisenhower has formed numerous commissions, committees, and conferences to study our educational needs and recommend methods of dealing with the crisis in our classrooms. These groups have prepared a multitude of surveys, studies, and assessments indicating problem areas and possible solutions. The work of these groups has been extremely valuable in pointing out pressing demands and presenting corrective programs. But the worth of such efforts becomes largely academic unless it is followed by adequate and effective action.

Despite President Eisenhower's declaration that we must strengthen our educational system and increase amounts paid teachers, administration officials have steadfastly resisted enactment of the Murray-Metcalf bill which would permit the States to raise teachers' salaries and construct needed classrooms.

The Secretary of Health, Education, and Welfare has stated that teachers' salaries should be doubled. Yet the administration continues to oppose legislation which would allow us to initiate a program aimed at achieving this goal. The administration appears more interested in rhetoric than results.

ADMINISTRATION PROPOSES HARMFUL CUT

Not only has the administration refused to back new programs which would provide meaningful assistance in securing the quality and quantity of education essential to meet present and anticipated requirements; it has suggested slashing of current programs designed to meet special educational needs. The Secretary of Health, Education, and Welfare has sent to Congress proposed legislation to reduce drastically aid to school districts who face unusual demands upon their facilities due to the impact of Federal workers' families. This action was taken at a time when many State and local governments are searching desperately to find new revenue sources to finance an adequate educational program for a burgeoning school populace.

Programs involved are those operated under Public Law 874, which provides Federal matching money for operation of schools in federally affected areas, and Public Law 815, which authorizes Federal assistance in meeting construction costs for classrooms needed to meet enrollment rises caused by Federal families.

The administration proposal would reduce from the present 50 percent to 25 percent allotments for children of parents who work on Federal property outside the school district. Aid would be cut from the current 50 percent to 40 percent in the case of parents who work on Federal property in the school district.

LOCAL GOVERNMENT HARD PRESSED

Figures supplied by the U.S. Office of Education indicate that the Federal funds available for maintenance and operation of Oregon schools under the impacted-area program would be decreased from $815,707 to $499,916 if the amendment to existing law proposed by the administration is approved by Congress. This figure does not include construction help.

In my State, local government currently supplies approximately 68 percent of revenue for public elementary and secondary schools. The sum contributed at this level of government has increased by about 49 percent in the past four years. School districts in Oregon are making a real effort to meet the need created by rapidly rising enrollments. In view of this, and the fact that the Federal Government owns more than 50 percent of the land in our State, implementation of the administration plan would have a significant and adverse effect on school financing in Oregon.

EDUCATORS INDICATE ADVERSE EFFECTS

Particularly unfair is the proposed reduction from 50 to 25 percent in the

Federal contribution when parents employed by the Federal Government live in school districts outside the communities in which they work. The case of District No. 8, Unified, in Hermiston, Oreg., illustrates the inequity which would result. Many persons working on construction of McNary Dam, Ice Harbor Dam, and John Day Dam—all Federal projects—reside within the school district, but perform their jobs outside the school district. The burden on the school district is no less, yet the administration suggests that Federal assistance be cut in half.

Mr. President, recently I have received a number of letters from leading educators in my State indicating the unfavorable consequences for our public school system which would follow implementation of this administration proposal. In order that the Senate may have the benefit of these thoughtful comments by individuals who are concerned with the day-to-day operation of schools in federally affected areas, I ask unanimous consent that the communications be printed at this point in the RECORD.

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

OREGON DEPARTMENT OF EDUCATION,
DIVISION OF GENERAL EDUCATION,
Salem, Oreg., May 25, 1959.

HON. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: The proposed reduction in Federal school aid to impacted districts would cause an estimated loss, to the school districts of the State of Oregon, of $187,245.80 for the current fiscal year. This figure is based upon information contained in the initial applications for this year, the entitlements assigned to school districts, and estimation of the relative numbers of parents claimed that are employed within and outside the boundaries of the districts. All three factors are variable and to some extent incomplete as of this date. However, we feel this to be a reasonably accurate figure and believe the amount of loss quoted by Secretary Flemming was based upon the gross entitlement figure which is entitlement prior to the deductions for forest receipts payments and similar moneys. These deductions result in a net entitlement figure that may be considerably lower than the gross figure. Since districts do not actually receive this amount of money, our figures are based upon net entitlements only.

There would, of course, be considerably more loss under Public Law 815, but since our current applications have not yet had entitlements determined, an accurate estimate of loss is very difficult to ascertain at this time.

It would appear that the proposed reduction is caused by a feeling that the intent of the program is reimbursement for loss of taxable property, "payment in lieu of taxes." This is difficult to reconcile with the emphasis on impact of children upon the local districts, since with modern transportation people do not often limit their residences to property adjacent to the location of their employment.

In the case of permanently located places of employment, such as military installations or dams, there would be no insurmountable problems in administration, should this plan be approved, although there would be some additional verification necessitated. The residence of each eligible pupil would have to be located and proof of being situated within the district would have to be filed to substantiate the claim.

Forest-connected pupils would present quite another problem. In addition to the present substantiating materials, a day-by-day account of the parent's exact location could become necessary in some situations and it is doubtful school districts could expect that much cooperation from employers. It is possible that the difficulties of accumulating substantiating data, coupled with the loss in revenue occasioned by the reduction could make it uneconomical for some districts to continue application under the law.

It is our feeling that implementation of such a plan would result in:

1. Loss of revenue to all applicant districts.

2. Additional and complicated record-keeping.

3. Considerable unrest and dissatisfaction among the people of the applicant districts.

It is our hope that no action upon any revision of the existing law be taken until a more definite statement of the basic intent of the program has been developed. We feel the program has functioned well and has been of great assistance in enabling many districts to bear the burden of Federal impact.

Your continued interest in the welfare of the public schools is appreciated.

Sincerely yours,

REX PUTNAM,
Superintendent of Public Instruction.

D. D. WILLIAMS,
Director, Schoolhouse Planning and Federal Assistance.

Oregon

School district	Type of Federal property involved	Estimated loss
Alsea	National forests, O. & C. lands	$2,261.97
Corvallis	SAGE, forest lands, Bureau of Mines	6,548.40
Philomath	National forests, O. & C. lands	1,180.92
Total, Benton County		9,991.29
Estacada	National forest	3,783.13
Total, Clackamas County.		3,783.13
Clatsop County nonhigh	Naval base	1,426.24
Astoria	do	5,685.78
Gearhart	do	803.76
Hammond	do	729.86
Knappa	do	5,061.05
Lewis and Clark	do	3,431.25
Olney	do	1,188.17
Seaside UHS	do	1,177.11
Seaside	do	1,197.07
Warrenton	do	3,199.36
Total, Clatsop County		23,899.65
Clatskanie UHS	Ammunition depot	588.56
Clatskanie	do	1,968.75
Mayger	do	875.49
Quincy	do	741.93
Total, Columbia County		4,174.73
Powers	National forest	1,000.00
Sunny Hill	Airbase	129.38
Total, Coos County		1,129.38
Redmond	Indian reservation, dams	909.94
Sisters	National forests	3,176.37
Total, Deschutes County		4,086.31
Camas Valley	O. & C. lands	2,087.67
Days Creek	National forests	530.31
Drain UHS	O. & C. lands	1,318.29
Drain	do	1,260.00
Elkton	do	1,595.00
Reedsport UHS	National forest, O. & C. lands	1,863.00
Reedsport	do	1,715.83
Roseburg	O. & C. lands, VA hospital, national forest	16,750.91
Tiller	National forests, O. & C. lands	268.89
Total, Douglas County		27,389.90
Condon	Air base	$252.00
Total, Gilliam County		252.00
Grant County nonhigh	National forest	452.59
Grant UHS	do	817.94
Seneca	do	1,063.55
Total, Grant County		2,334.08
Burns	Airbase, national forests, Indian village	469.42
Burns UHS	do	1,040.07
Hines	National forests, Taylor grazing	273.83
Total, Harney County		1,783.32
Hood River County unit	National forest, dams	606.04
Total, Hood River County.		606.04
Jackson County nonhigh	VA facility, forests	494.28
Butte Falls	National forests, O. & C. lands	869.52
Eagle Point	National forests, VA facility	2,476.75
Phoenix	do	300.00
Prospect	National forests	2,382.00
Talent	National forests, irrigation project	1,350.00
Total, Jackson County		7,872.55
Klamath County Unit	Airbase, Indian reservation	4,587.07
Total, Klamath County		4,587.07
Blachly	O. & C. lands	1,229.10
Disston	National forests, O. & C. lands	583.56
McKenzie	National forests	3,300.00
Mapleton	do	4,241.83
Noti	O. & C. lands	568.81
Oakridge	National forests	6,708.27
Florence	do	1,196.31
Springfield	O. & C. lands, dams	3,500.00
Westfir	National forests, dams	2,968.20
Total, Lane County		24,296.08
Albany UHS	SAGE, Bureau of Mines	1,800.51
Albany	do	2,592.84
Cascadia	National forest	193.32
Grand Prairie	Bureau of Mines	618.28
Knox Butte	do	618.28
Liberty	National forest, Bureau of Mines	400.00
Mill City Union High	National forest, dam	2,780.19

Oregon—Continued

School district	Type of Federal property involved	Estimated loss
Mill City	National forest, dam	$633.85
Sweet Home UHS	do	2,294.92
Total, Linn County		11,932.19
Detroit	National forest	1,679.59
Total, Marion County		1,679.59
Irrigon	Ordnance depot, dams	3,745.14
Total, Morrow County		3,745.14
Bonneville	Dam	260.70
Total, Multnomah County		260.70
Valsetz	O. & C. lands	939.90
Total, Polk County		939.90
Bay City	Naval air station	3,318.75
Beaver	Naval air station, airbase, national forest	554.44
Cloverdale	Air base, national forest	1,112.90
Garibaldi	Naval air station	688.50
Hebo	Air base, national forest	$666.36
Neah Kah Nie	Naval air station	1,569.44
Nestucca UHS	Naval air station, airbase, national forest	979.95
Sandlake	Naval air station, airbase	1,125.63
Tillamook	do	9,378.73
Total, Tillamook County		19,394.70
Echo	Ordnance depot, dam	1,303.61
Hermiston	do	16,389.22
Pendleton	Ordnance depot, dams, Indian reservation	1,431.42
Stanfield	Ordnance depot, dams	3,987.49
Umatilla	Dams	3,650.58
Total, Umatilla County		26,762.32
Wasco County nonhigh	Indian land, dams	1,217.06
Chenowith	Dams	923.19
Maupin UHS	National forest, Indian reservation	602.91
Petersburg	Indian land, dams	333.94
The Dalles	Dams	3,268.63
Total, Wasco County		6,345.73
Total, State of Oregon		187,245.80

HERMISTON PUBLIC SCHOOLS,
DISTRICT NO. 8 UNIFIED,
Hermiston, Oreg., May 26, 1959.

Hon. RICHARD NEUBERGER,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: We are somewhat alarmed at the administration's proposal to cut Public Law 874 funds from 40 to 50 percent per pupil for students whose parents are employed on Government projects but who reside in another community. This would hit us quite hard since we have people employed at McNary Dam, Ice Harbor Dam, John Day, and Hanford, all of which are not located in the Hermiston School District, but who employ people from our school district, whose families reside here and whose children attend the Hermiston public schools.

For your convenience I am enclosing a copy of the last teachers' quarterly report, May 31, 1959, for our school district. On this report we have 15 A2 pupils and 503 B2 pupils. These total 25 percent of our entire student body, and the number will increase next year as soon as they begin moving tracks for the Union Pacific Railroad and the S. P. & S., as well as many many portions of Highway 30.

Should our Federal payments under Public Law 874, which average about $50,000, be reduced to $25,000 the difference would have to be made up in local taxes. This in terms of millage would mean 5 more mills for this district, since our assessed valuation is $4,861,476.19.

Your support in opposing this proposed cut will be sincerely appreciated.

I read your newsletter from end to end. You certainly are doing a wonderful job for Oregon and the Nation. Your admirers and followers are legion.

David is still at U.S.M.M.A. and loves it. Some of his subjects give him a bad time, but I think he'll make it.

Sincerely yours,

ARMAND O. LARIVE,
Superintendent of Schools.

OAKRIDGE SCHOOL DISTRICT 76,
Oakridge, Oreg., May 26, 1959.

Senator RICHARD L. NEUBERGER,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: The reduction of Federal aid to schools, under Public Law 874, in impacted districts will reduce further the support of the Federal Government to this school district. We are completely surrounded by the national forest, and have to educate the children of the employees of the forest.

The proposed change will, perhaps, affect us only a few hundred to a thousand dollars, but this is hardly the year to reduce school support.

You may have thought that the 25 percent of the county share of the timber sales should take care of the local district, but the facts are that the 25 percent is spread over the entire county on a census pupil basis. That means a district having no Federal forest employees gets just as much money per pupil as a district such as this one, which has many Federal employees' children.

At no time has the forest sales income to schools amounted to more than $10 per census child in this district.

Yours sincerely,

PAUL S. ELLIOTT,
Superintendent.

UMATILLA PUBLIC SCHOOLS,
DISTRICT NO. 6,
Umatilla, Oreg., May 27, 1959.

Senator RICHARD NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: This letter is in regard to the proposed reduction of Federal school aid to Federal impacted districts (Public Law 874).

Umatilla School District No. 6, Umatilla, Oreg., has received this aid since the law went into effect because of the construction of McNary Dam. There are 50 students attending the Umatilla schools who have parents who live on Federal property. We also have 93 students whose parents live in the community but work on projects outside the district. Our total enrollment at Umatilla is 405. About 27 percent of our student body is involved in Public Law 874.

The budget for operating expenses of the school has been drawn up and passed by the public. As you can see, any curtailment in revenues estimated and expected for the coming year can seriously jeopardize our school program.

We would like also to add that the citizens of this community are making a great effort taxwise to support their schools. The tax at Umatilla for the coming school year for school purposes only will be a total of 78 mills.

Any aid that you can give to strengthen the support of Public Law 874, rather than reducing it, will be greatly appreciated by this community.

Sincerely yours,

DAVID VANDERHORST,
Superintendent.

STANFIELD SCHOOL DISTRICT NO. 61,
Stanfield, Oreg., May 26, 1959.

Senator RICHARD NEUBERGER,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR: I would like to urge that you use your good influence in resisting the proposal of reducing Federal school aid to impacted districts from 50 percent to 25 percent per pupil school cost.

This could cost the Stanfield district between $4,000 and $5,000 per year and add a burden of taxation to local taxpayers who are already paying about 80 mills tax for school purposes.

I know you are well aware of our school problems and will be active in preventing this ill conceived action.

Very sincerely,

ROBERT VAN HOUTE,
Superintendent of Schools.

BONNEVILLE GRADE SCHOOL,
Bonneville, Oreg., May 28, 1959.

The Honorable RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SIR: The Bonneville School District of Multnomah County will violently protest any administration proposed cuts in the Federal aid to education bills 815 or 874. Thirty-nine percent of Bonneville school children live on Federal property which contributes no property tax moneys in a State that depends on the property tax for local financing of schools.

In the year 1958–59, Bonneville school budget was $39,969.06, and we will receive $5,740.71 from Federal aid under public law 874. This amounts to $250 per student living on Federal property in a district that spends over $500 per child.

A cut in these appropriations would seriously overburden the local property taxpayers in this school district.

Sincerely,

JACK A. JENSEN,
Principal.

VIEWS OF MEMBERS OF OREGON CONGRESSIONAL DELEGATION ON DIPLOMATIC RECOGNITION OF RED CHINA

Mr. NEUBERGER. Mr. President, the Oregon correspondent of one of our leading daily newspapers, Mr. A. Robert Smith, has polled all six members of the Oregon congressional delegation regarding their views on diplomatic recognition of Red China, and related questions.

Those surveyed by Mr. Smith include the senior Senator, Mr. MORSE; the junior Senator, Mr. NEUBERGER; Representative NORBLAD, First District; Representative AL ULLMAN, Second District; Representative EDITH GREEN, Third District; and Representative PORTER, Fourth District.

I believe many of our colleagues in the Senate and House will be interested in the views held by the Senators and Representatives from Oregon on this vital issue. Therefore, Mr. President, I ask unanimous consent that the article by A. Robert Smith, as published in the Eugene, Oreg., Register-Guard of May 24, 1959, under the title of "Red China Policy Changes Favored," be printed in the body of the CONGRESSIONAL RECORD.

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

RED CHINA POLICY CHANGES FAVORED

(EDITOR'S NOTE.—Following is the first in a series of periodic reports by the Eugene Register-Guard's Washington correspondent, A. Robert Smith, in which he queries Oregon's congressional delegation on major issues of the day, both foreign and domestic. This article deals with U.S. policy toward Red China. Others on major issues will be forthcoming in the months ahead.)

(By A. Robert Smith)

WASHINGTON.—At this juncture of world affairs, every member of Oregon's six-member congressional delegation favors some change in America's China policy.

That policy for some years under John Foster Dulles and his Assistant Secretary for Far Eastern Affairs, Walter S. Robertson, has steadfastly opposed diplomatic recognition of the Peiping government, opposed any trade with the mainland Chinese, and backed the Nationalists of Chiang Kai-Shek on the island of Formosa with arms and diplomatic recognition as the Government of China. Whether there may be alterations of this policy under the new Secretary of State, Christian A. Herter, and J. Graham Parsons, who succeeds Robertson July 1, remains to be seen.

Changes advocated by Oregon's five Democrats and one Republican in Congress range from placing Formosa under U.N. trusteeship, to trade with Red China in nonstrategic goods, to immediate diplomatic recognition of the Peiping government.

None seem to think the United States can hope to weaken or bring down the Communist Chinese Government by withholding all contact from her and continuing to bolster the exiled Nationalist government of Chiang Kai-shek on Formosa. As Senator WAYNE MORSE put it:

"Red China presents to us a very ugly reality. The free nations of the world are going to have to deal with her whether we like it or not in respect to the control of nuclear testing, weapons, and disarmament.

MORSE, however, does not favor according diplomatic recognition to the Communist Chinese regime. Neither does Senator RICHARD L. NEUBERGER nor Representative WALTER NORBLAD. Representative CHARLES O. PORTER, on the other hand, favors diplomatic recognition now. Representatives EDITH GREEN and AL ULLMAN favor our taking steps in that direction.

Several took pains to point out that "recognition doesn't mean approval or respect," as PORTER put it. "It simply means opening up communications."

"We don't approve of poverty, but we have to recognize it exists," said Mrs. GREEN. "We don't approve of Red China's conduct either internally or externally but there she is, 600 million strong, whether we diplomatically recognize her or not. Thirty-five countries have now recognized Red China."

While MORSE agreed that the mainland government fulfills the historic international criteria on which diplomatic recognition is accorded, i.e., that it unquestionably controls the territory and governs the people of China—he argued that the United States has historically insisted, with some exceptions, that any new regime satisfy us that it can be counted on to fulfill its international obligations before we open direct diplomatic relations. Citing violations of the Korean truce, MORSE said on this criteria "the Communist Government of China has completely failed to date to make a record that entitles it to American diplomatic recognition."

MORSE favors relations short of diplomatic recognition and believes we must face up to the reality in world affairs that the Red Chinese Government is here to stay for a considerable time, perhaps, in some form, for centuries.

"I favor trade with Red China in such goods as textiles, flour and other foodstuffs, medicines, and other goods for civilian use that would help us reach a better understanding with the masses of China," MORSE added.

In arguing against recognition, Senator NEUBERGER cited aggression by China against Korea, Vietnam, Laos and Tibet, then asked: "Should America accord recognition in such an atmosphere? The diplomatic recognition which we accorded the Rusisan Government in 1933 followed a long period of observation. Nor was Russia invading its neighbors at the time of recognition."

NEUBERGER mentioned MORSE's point that "we should receive certain assurances from the Chinese Communists that they will adhere to acceptable standards of conduct in international relations."

Likewise, NEUBERGER opposed trade with China, saying: "Trade is recognition—economic and commercial recognition. It would be cynical to trade with a nation which we did not recognize diplomatically."

MORSE, PORTER and GREEN all contended that by opening trade relations, other relations between America and China might be improved. PORTER urged a trade mission be sent to China, saying: "World peace through world trade is no mere slogan. We can build better relationships through mutually profitable exchanges. We have some chance of luring China away from dependence on the Soviet Union."

Noting that Japan trades with China without recognizing the Peiping Government, MORSE said we can do the same "and it might very well be that such trade would hasten recognition because it might cause the leaders of Red China to appreciate that they should live up to their international commitments."

Congressman NORBLAD, only Republican from Oregon and usually a supporter of the administration, differed with the present China policy only on trade. He favored discussions with the Red Chinese on trade in nonstrategic materials like flour, lumber and things of that nature.

Several protrade lawmakers mentioned that Oregon products would find new markets in China. NEUBERGER challenged this argument, saying: "Red China seems far more interested in exporting abroad its own goods. Last year it shipped to major markets in neighboring countries five times as many goods as it imported. Due to its practice of setting prices to realize maximum competitive and political impact rather than merely to insure recovery of economic cost and profit, Communist China can effectively influence trade patterns to its own benefit. Red China's shortage of foreign exchange leads to an insistence on paying for imports in merchandise, not cash, thus decreasing the trading flexibility of the other nation involved. So far as Oregon is concerned, we might find that China's vast upland forests, now being reseeded, would keep that country from being a customer for our extensive lumber products."

Congresswoman GREEN endorsed the following statement of the Fifth World Order Study Conference of the National Council of Churches of Christ, in which she participated at Cleveland last fall: "Our policy should move in the direction of an acceptable solution of the problems of participating by the People's Republic of China in the councils of the U.N. and the establishment of diplomatic relations with that government by the United States."

A move in that direction, she believes, should be negotiations on issues of "Korean freedom, of the integrity of Formosa, Quemoy and Matsu, the freeing of Americans still held in Chinese prisons." She said these issues must all be "settled in such a way as to give evidence of Peiping's willingness to abide by the minimum standards of international relations to at least the same extent as Iraq, the UAR, Dominican Republic and the Soviet Union." Mrs. GREEN added:

"I do think it is stultifying in the extreme for our Government to take a position that Red China will never, under any circumstances, be recognized and that it is treasonable even to think about it."

Representative ULLMAN said "we should reorient our thinking. Our present policy is based on the politics of sentimentality rather than focusing on realities in the Orient. I abhore the philosophy of Red China, but we recognize Russia and Russia is the leader of the Communist world. I'm not prepared to say we should do it (recognize or trade) today. We should start with little things. For example why shouldn't our people be allowed to visit Red China? I don't want to see us recognize Red China across the board. We should bargain with the Chinese for it and say, 'OK, we will recognize you, but under these conditions.' Eventually we are going to have to recognize her."

MORSE, PORTER, and GREEN all mentioned a relatively new problem, how to get a ban on nuclear tests? PORTER said this is a vital U.S. goal and "China will have to be a party to that ban. What nonsense to deal with them through our delegations at Warsaw but to pretend this nation of 650 million doesn't exist juridically."

In this contest, PORTER urged diplomatic recognition now. He said: "We don't like the Chinese Government for many good reasons but experience teaches us that the nature of that Government will change. If we have communications we may be able to guide that change into directions more advantageous to us and favorable to our ideals of freedom."

MORSE said the U.N. offers the best vehicle for negotiations until "we feel Red China is deserving of our diplomatic recognition."

Mrs. GREEN differed. Supporting her advocacy of moving toward eventual recognition and admission of China to the U.N., she said: "Inspection systems of nuclear weapons and disarmament discussions with the United States seem pretty hopeless as long as Red China is outside of the U.N. and, therefore, not bound by any U.N. agreements."

If and when Red China is admitted to U.N., Mrs. GREEN suggested that the permanent seat on the Security Council held from the start by the Nationalist Chinese be allocated to India, and that both the Peiping and Formosa Governments be represented in the General Assembly. Formosa should not remain under Chiang, she said, but be placed under U.N. trusteeship until free elections can be held.

MORSE, NEUBERGER, PORTER, and ULLMAN, too, said Formosa should be under U.N. for now. MORSE said Chiang's regime looks like a puppet government of the United States to people in Asia and Africa. He said we

should recognize Formosan sovereignty and protect her from Red aggression.

NORBLAD, alone, favors the status quo on Formosa because it is "an important military base in the Pacific as far as we are concerned and one which we will have to hold on to. The United States has expended a great deal of money in training the Chinese Nationalist troops and in building up stations and it would be foolish to abandon them." NORBLAD also opposed recognition for this reason, and because China is still holding U.S. war prisoners and has demonstrated an aggressive policy in Tibet and elsewhere.

"We've spent enough on Chiang," said PORTER. "He and his army should be retired, and not on pensions paid by us. Secretary Dulles finally conceded last year that Chiang couldn't lead a return to the mainland. All that's left is to strike the tents and let this expensive interlude fade away."

CONGRESSIONAL FELLOWS—A SPLENDID PROGRAM

Mr. KUCHEL. Mr. President, each year for 5 years, the American Political Science Association has raised sufficient funds to award stipends to a dozen or more young political scientists and journalists so that they might spend 9 months as congressional fellows here on the Hill, dividing their time equally between the Senate and the House of Representatives.

These are mature young men experienced in both the intellectual and practical aspects of politics. They have come not only to observe how the legislative branch functions in our democracy, but also to contribute their part as a staff member to its successful functioning.

This year I have been able to observe the success of the program both through participation on the advisory committee of the program along with the Senator from Pennsylvania [Mr. CLARK] and through the activity of one of the fellows in my office, Stephen Horn. Mr. Horn received his doctorate in political science from Stanford University and has participated actively in several California political campaigns. In the other body, he served with Representative GLENARD P. LIPSCOMB, of Los Angeles. I am very happy to have the use of his services in my office.

It is gratifying to me that California has three other fellows on this year's program. Mark Ferber, a graduate student in political science at the University of California, Los Angeles, serves with the Senator from Missouri [Mr. SYMINGTON]; Ward Winslow, a reporter for the Palo Alto Times, is with the Senator from Alaska [Mr. BARTLETT]; and Charles Young, also a political science graduate student at UCLA, is with the Senator from Montana [Mr. MURRAY].

The awards to Mr. Winslow and Mr. Young were made possible through the financial participation of a distinguished California foundation, the John Randolph Haynes and Dora Haynes Foundation of Los Angeles. Its charter directs it "to promote the well-being of mankind." John Randolph Haynes was a minister and great figure of the progressive era in southern California. The efforts of him and his devoted wife left the City of Angels a finer community as a result of their service.

Next year two Californians will participate in the congressional fellowship program because of the Haynes Foundation. They are Robert G. Gilpin, a graduate student in political science at the University of California, Berkeley, and Gerald Rigby, who is a Charles Fletcher Scott Fellow in Political Science at the University of California, Los Angeles.

I know that all of us who are concerned with creating a better understanding of our democratic processes abroad will be pleased by the decision of the Asia Foundation which resulted in three fine young men coming from the Orient to America to see the working of American Government at firsthand. They are Ahmad Roose, formerly assistant secretary to the Malayan Minister of Interior and Justice, now with the Senate Republican policy committee; Mitsuru Uchida, a candidate for the doctorate in political science at Waseda University in Tokyo, Japan, with the Democratic policy committee; and Mr. Kingward Kuo, a member of the Ministry of Foreign Affairs of the Republic of China, who is with the junior Senator from Wyoming [Mr. MCGEE], who is interested in the program.

The funds for the remainder of the fellows have been supplied by the Ford, Shinner, New York Times, and Louisville Courier-Journal Foundations, and the Poynter Fund. The other members of this outstanding program and their Senate assignments are: Mr. ArDee Ames with Senator CHURCH, of Idaho; Mr. Joseph Ford with Senator CASE of New Jersey; Mr. William Gerberding with Senator MCCARTHY, of Minnesota; Mr. Donald Hadwiger with Senator KENNEDY, of Massachusetts; Mr. James Reichley with Senator CLARK, of Pennsylvania; Mr. Charles Joiner with Senator MUSKIE, of Maine; Mr. Howard Swearer with the Senate Committee on Foreign Relations; Mr. Arthur Underwood with Senator HART, of Michigan; Mr. Eddie Williams with Senator HUMPHREY, of Minnesota; and Mr. Thomas Wilson with Senator MCGEE, of Wyoming.

Besides their office responsibilities, the group maintains an active program of discussions and interviews with various Members of Congress, committee staffs, former and present administration officials, and the representatives of the various interest groups and newspapers who are located in Washington.

With the excellent backgrounds that these men bring to their service here and the rigid schedule they maintain during their stay, we can be sure that in future years as a result of the congressional fellowship program there will be a greater understanding of the role of Congress in our society both in the halls of the universities and in the newspapers of America.

I am grateful that the American Political Science Association under the leadership of Dr. Evron Kirkpatrick, its director, and Dr. Howard Penniman, the director of the congressional fellowship program, is continuing to take the lead in this endeavor—an effort which can only end in a better informed America.

POSSIBLE EXCHANGE OF FNMA MORTGAGES FOR GOVERNMENT BONDS

Mr. SPARKMAN. Mr. President, last Thursday, the Senator from Tennessee [Mr. GORE] and I were discussing a proposal made by the President to exchange FHA and GI mortgages—yielding approximately 3½ percent and held by the Federal National Mortgage Association—for certain 2¾ percent nonmarketable Government bonds.

During this colloquy, I indicated some doubt that this proposal would be in the best interest of the Government; and I stated that I should be glad to ask officials of the FNMA to come before the Banking and Currrency Committee and give the committee a full explanation of the proposal. I have not had an opportunity to discuss this question with the chairman or other members of the committee, but I am sure the committee schedule can be arranged to accommodate a hearing on this subject. In the meantime, I would expect the FNMA to postpone any plans it may have to begin the exchange of mortgages for bonds.

Mr. President, as I pointed out at that time, such a recommendation was carried in the report of the House Committee on Banking and Currency in connection with the housing bill, S. 57, which the House passed a week or so ago.

For the information of the Senate, I ask unanimous consent that at this point in my remarks there be printed in the RECORD the following excerpts from the record of hearings on the 1959 Economic Report of the President held before the Joint Economic Committee last January and February: First, questions and answers supplied by the Treasury Department, relating to the proposed exchange, which appear on pages 418 through 420; and, second, additional information supplied by the Treasury Department which appears on pages 770 through 775.

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

ANSWERS TO MR. PATMAN'S QUESTIONS

1. Question. With what financial institutions would these exchanges be transacted? How would these institutions be selected?

Answer. The present plan is that the exchange of mortgages for Government bonds would be limited to those financial institutions which are qualified to invest in FHA-insured and VA-guaranteed mortgages and which are the holders of 2¾ percent Treasury bonds, investment series B. On December 31, 1958, these bonds were held as follows (excluding holdings by Government investment accounts):

	Million
Commercial banks	$130
Life insurance companies	1,898
Mutual savings banks	882
Fire, casualty, and marine insurance companies	144
All other [1]	2,496
Total	5,550

[1] Includes individuals, nonfinancial corporations, pension funds, savings and loan associations, State and local governments, and miscellaneous investors.

2. Question. What mortgages now held by FNMA would be offered in the exchange? What rate do they carry?

Answer. The principal mortgages in the management and liquidating portfolio of FNMA which would be eligible for exchange are about $1 billion of VA-guaranteed 4 percent mortgages.

Question. What is their current market value?

Answer. Since FHA and VA mortgages carrying 4 percent interest rate are not, generally speaking, available for purchase, there is no "current market value," as such. On a yield basis, the probable current market range would likely be between 86–88–90. Considering the seasoned character of the mortgages, the relatively early maturities, and the nature of the proposed exchange, the value of the mortgages should approximate the value of the bonds.

Question. At what value are they carried on FNMA's books?

Answer. These mortgages are carried on the books of FNMA at par, or 100 percent of their unpaid principal amount.

Question. Is there any statutory restriction against their sale by FNMA at less than par?

Answer. There is no statutory restriction against the sale or exchange of these mortgages by FNMA at less than par.

3. Question. What Government bonds held by the financial institutions would be exchanged for the mortgages? Are they marketable issues?

Answer. The 2¾ percent Treasury bonds, investment series B, are not marketable bonds. They may be exchanged at the election of the owners into 1½ percent 5-year marketable Treasury notes.

Question. What rate do they carry?

Answer. These bonds bear interest at 2¾ percent.

Question. When do they mature?

Answer. They mature April 1, 1980, but may be redeemed at the option of the United States on and after April 1, 1975, at par and accrued interest on any interest day or days on 4 months' notice of redemption.

Question. At what value are they carried on the books of the financial institutions?

Answer. This series of bonds was originally issued on April 1, 1951, at par in exchange for certain 2½ percent Treasury bonds. An additional amount of such bonds was issued in June 1952 for cash and in exchange for certain 2½ percent Treasury bonds. It is believed that the current owners of these bonds who are the original subscribers carry them on their books at par.

Question. What is their current market value?

Answer. The 2¾ percent Treasury bonds, investment series B, being nonmarketable do not have a current market value, as such. They are exchangeable for 1½ percent 5-year Treasury marketable notes which have a current market value for the current issues of about 90½.

4. Question. In the exchange, would the financial institutions record the mortgages acquired from FNMA at par, at current market value, or some other basis?

Answer. We cannot say with certainty how the financial institutions will record these mortgages, and probably no single rule will be applicable to all. Since they will be receiving in exchange for their bonds securities of approximately equal value, some of these institutions will probably record these mortgages at the same book value as their bonds. Other institutions may record them at current market value.

Question. Will there be a book gain or loss for these financial institutions?

Answer. The answer depends, of course, upon how the financial institutions carry the bonds on their books and how they will record the mortgages they acquire. If, as indicated in the answer to question 3, the bonds are carried at par, and if the mortgages are recorded at par, there will be neither book gain nor loss. If the mortgages are recorded at their value at date of exchange, then a book loss will, in general, be incurred.

Question. If loss, what would be the tax treatment of the loss?

Answer. The tax treatment would be long-term capital loss or ordinary loss depending on the type of institution and assuming, of course, that it is not exempt from tax on this type of exchange.

Question. How much would this cost the Treasury in tax revenues?

Answer. On the basis of our best estimates at this time, the revenue loss will be insignificant. To the extent that loss on the bonds is claimed for tax purposes it will be largely offset by later equivalent gain on the mortgages.

5. Question. Would the bonds acquired in the exchange by FNMA be recorded on FNMA's books at par, at current market value or at some other basis?

Answer. Because FNMA will get credit at par for these bonds in payment of its indebtedness to the Treasury, FNMA is entitled to record these bonds at par on its books. It is believed that FNMA should view the exchange of mortgages for bonds as being made on the basis of market values; but FNMA's temporary book loss on such exchange is promptly restored by the Treasury's acceptance of the bonds at par.

Question. Will there be a book gain or loss for FNMA, at this point?

Answer. At this point there will be a temporary book loss for FNMA, but FNMA's ability to get credit at par for the Treasury bonds it turns in restores the loss.

6. Question. What will FNMA do with the bonds if acquired?

Answer. It will turn the bonds over to the Treasury.

Question. Will they be presented to the Treasury for retirement?

Answer. Yes.

Question. If so, at what value will FNMA's account be credited—par value of bonds, market value, or what other?

Answer. With the par value of the bonds.

Question. Will this be the same, more than, or less than the book value of the mortgages exchanged?

Answer. On the basis of present values, as above indicated, for the mortgages and bonds the par value of the bonds will be approximately the same as the book value of the mortgages exchanged for them.

Question. If less than, how will this portfolio loss affect FNMA's financial position?

Answer. In the light of the answer to the preceding question, this question does not appear to be relevant.

7. Question. How will the Treasury's accepting the bonds and their retirement be reflected in the budget accounts?

Answer. Acceptance of the bonds at par and retirement of the bonds will be reflected in the budget as a receipt item (credited against the expenditures of the agency), just as the purchase of the mortgages was reflected in the budget as an expenditure item.

Question. If FNMA, upon presenting the bonds for retirement, is credited with the par value of the bonds, will the difference between the actual market value of the bonds and their par value be reflected in any way in the budget accounts?

Answer. No.

8. Question. As a result of these transactions, will the Treasury's financing needs be increased, reduced, or unchanged from those that would obtain if these transactions were not undertaken? In other words, how would the Treasury's financing requirements be affected as compared with the situation in which FNMA, instead of exchanging the mortgages, offered them for sale in the market? Won't the Treasury, in any case, have to borrow an additional $335 million? At what interest rate do you expect to be able to borrow this amount in fiscal 1960?

Answer. The exchange of mortgages by FNMA for the 2¾-percent Treasury bonds and the retirement of such bonds by the Treasury would not increase, reduce, or change the Treasury's financing needs during fiscal year 1960. If a like amount of mortgages were sold by FNMA for cash, the receipt of such cash by FNMA and its payment to the Treasury in reduction of its indebtedness would reduce the amount of Treasury's cash financing by an equivalent amount, but would also have the effect of reducing by that amount the funds of private investors otherwise available in the market for mortgages.

The exchange of mortgages by FNMA for Treasury bonds and the retirement of such bonds by the Treasury, while not affecting the financing needs of the Treasury in 1960, would have the effect of reducing the outstanding public debt and thereby furnish a like margin under the public-debt limitation which would be available for use by the Treasury.

In order to cover the estimated expenditures for fiscal year 1960 by FNMA for the purchase of mortgages under its special assistance program aggregating approximately $335 million, it will be necessary for the Treasury to issue a like amount of public-debt obligations to obtain the necessary funds for this purpose. It is impossible to determine at this time the character of obligations which will be issued by the Treasury or the rate of interest that will be payable on such obligations during fiscal year 1960.

TREASURY DEPARTMENT,
Washington, D.C., February 25, 1959.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

MY DEAR MR. PATMAN: For Secretary Anderson, I am very glad to supply herewith answers to the additional questions which were enclosed in your letter addressed to the Secretary on February 20, 1959, concerning the proposed exchange of mortgages by FNMA for certain Treasury bonds.

Sincerely yours,

LAURENCE B. ROBBINS.

1. Question. In the answer to question 1, you show the distribution by type of holder of the currently outstanding $5,550 million of 2¾ percent Treasury bonds, investment series B. As reported in the budget, only $335 million of FNMA mortgages are to be offered in exchange. Since only a small fraction of the total 2¾ percent Treasury bonds, investment series B, will be accepted in exchange for the FNMA mortgages, wouldn't it be necessary to choose among the present bondholders those to be eligible for the exchange? Which of the present holders of the 2¾ percent Treasury bonds, investment series B, will be selected to engage in the proposed exchange? How will the selection be made?

Answer. As stated in Treasury's answer to previous question 1, only those companies or financial institutions qualified to invest in FHA-insured and VA-guaranteed mortgages and which are also holders of the 2¾ percent Treasury bonds, investment series B, would be eligible to acquire the mortgages to be sold or exchanged by FNMA. Many holders of the 2¾ percent Treasury bonds are not eligible to invest in the mortgages.

There would be a public notice of the proposed exchange and a specific notice would be mailed to each holder of the 2¾ percent bonds, as these bonds are issued only in registered form and the Treasury's registration records would be used as a mailing list for this purpose.

If FNMA should receive offers from holders of more than $335 million of the 2¾-percent bonds for the purchase or exchange of mortgages, the offers could be considered

in the order they are received, or only the most advantageous offers could be accepted. On the other hand, there is no compelling reason to limit the sale or exchange to $335 million. In this connection see the answer to question 5 below, in which it is pointed out that one of the purposes of the proposal is the liquidation of mortgages held by FNMA as contemplated by law.

FNMA in the course of its management and liquidating operations up to December 31, 1958, sold 130,000 VA-guaranteed mortgages amounting to $940 million, and held in this account at that date about 230,000 mortgages amounting to $1,350 million. The typical purchasers of FNMA's mortgages are usually interested in the mortgages on properties in certain localities, or in certain minimum principal amounts. Also, in many cases they acquire the mortgages from FNMA only after an inspection of the properties securing them. Other purchasers may be interested in acquiring mortgages which can be readily serviced by their existing servicing facilities. Because of the large mortgage holdings of FNMA, investors can find greater convenience of selection from seasoned holdings than by buying piece by piece from scattered sources. These are some of the many factors which bear upon the sale of mortgages by FNMA, in addition to the prices which purchasers offer for the mortgages.

2. Question. In the answer to question 4, you indicate some uncertainty about the manner in which the bondholders will record the FNMA mortgages acquired in the exchange. Yet you state that your best estimate is that the revenue loss will be insignificant. In order to make a revenue estimate, don't you have to make some assumptions about the class of bondholders whose bonds will be accepted in exchange for the FNMA mortgages and, moreover, some assumptions about the basis of the bonds in the hands of these holders and the basis of the FNMA mortgages in their hands? Since these respective bases will determine in large part the immediate tax consequences of the transaction, shouldn't the question of basis for the FNMA mortgages acquired be of considerable concern to the Treasury? Isn't the Treasury in a position to issue a ruling setting forth the basis to be used? If not, shouldn't the Treasury seek legislation to insure that no tax loss will result from the transaction?

Answer. If any uncertainty appears in the Treasury's answer to previous question 4 about the manner in which the bondholders will record for financial statement purposes the FNMA mortgages acquired in the exchange, this is due to the fact that a precise answer applicable to each purchaser cannot be given. (This should be distinguished from the treatment of such transaction for tax purposes.) The eligible purchasers of the mortgages, such as insurance companies, savings banks, pension and retirement funds, savings and loan associations, commercial banks, etc., are governed by Federal and State laws and regulations under which they are organized and operate, with respect to the manner in which they record and value their assets. Some purchasers may be allowed to record the mortgages they acquire at par value, and others may record them at market value at date of purchase.

In any event and no matter how the transactions are recorded on the purchaser's books, the purchase or exchange will constitute a taxable transaction under the Federal income tax laws. There will not be any special tax advantages to either party from the proposed transaction.

The management and liquidating function of FNMA is carried out as a governmental function and is not subject to tax or a charge in lieu of tax. As far as holders of Government bonds are concerned, the exchange of the bonds for the mortgages will be a taxable transaction (for those holders subject to tax), the gain or loss being a capital gain or loss in most cases. Due to the rise in interest rates in recent years, any exchanges can be expected to result in losses from a tax standpoint. The mortgages received in exchange will be valued for tax purposes at less than par and if paid off at maturity, or sold before maturity at more than the exchange value, will result in a gain to the holder, generally a capital gain.

These same results are taking place every day in ordinary market transactions. This is true even with respect to the 2¾ percent Treasury bonds mentioned in question 1 above. Although nonmarketable, the bonds can be exchanged for 1½ percent exchange notes. This is a nontaxable transaction with the notes taking the basis of the holder of the 2¾-percent bonds because it constitutes the transformation of the bonds pursuant to a right contained therein rather than a sale or exchange (Revenue Ruling 57-535). However, the 1½-percent notes are marketable and the seller who sells such notes then has a taxable transaction, which at the present prices will be a loss. In turn, the seller can use the proceeds from the notes to buy mortgages or bonds at a discount, or any other asset, with the intent of obtaining a capital gain.

The magnitude of the possible tax losses and future gains are set by the size of the proposed exchange and the present market price of the securities involved. If $335 million of mortgages are exchanged for equal amounts of Treasury 2¾-percent bonds, the maximum loss is about 10 percent or $33.5 million, with an approximate tax loss of $8.4 million (assuming a full 25-percent tax effect). Repayment of the mortgages at par will result in most cases in equal gains in later years. This also involves tax revenues of approximately $8.4 million on the same basis of 25 percent.

This assumes that all purchasers will be fully subject to Federal income taxes. This is not entirely the case, however, as mutual savings banks and savings and loan associations sometimes have no tax liability because of a statutory deduction permitted for additions to a reserve for bad debts. Pension funds generally are exempt from tax. In the case of commercial banks, any losses from the exchange of the bonds for mortgages would be fully reflected in reduced taxable income, as banks may treat the excess of losses from bonds as ordinary losses rather than capital losses. However, since commercial banks apparently hold only $130 million or about 2½ percent of the 2¾-percent Treasury bonds, their possible participation in the transaction will be relatively small.

It should be emphasized again, however, that the taking of the losses on the Government bonds is a common occurrence.

In view of the foregoing, there is no reason to issue any special ruling or to seek legislation.

3. Question. What is the volume of the VA guaranteed 4-percent mortgages now held by FNMA? What is the maturity schedule of these mortgages? Which of these would be offered in exchange for the 2½-percent Treasury bonds?

Answer. FNMA owned in its management and liquidating program as of December 31, 1958, an aggregate amount of $1,050 million of 4-percent VA-guaranteed mortgages. These are the principal class of mortgages it is proposed to sell or exchange for 2¾-percent Treasury bonds. These mortgages originally had terms of 20 to 30 years to maturity. They are amortized by monthly payments on account of principal and interest. Thus, based upon their original principal amounts and terms they had an average maturity of 26 years. They were acquired by FNMA during the period ending in 1954. FNMA's holdings of these mortgages are represented by 190,000 separate mortgages, the greater part of which are located in the following specified States (dollars in thousands):

	Amount
Alabama	$37,896
California	246,412
Florida	82,086
Georgia	43,082
Louisiana	24,209
Michigan	148,836
Oklahoma	81,538
Tennessee	28,830
Texas	150,631
Washington	41,187
Total	884,707

The average principal amount of the individual mortgages is about $5,600. Although the remaining terms of the mortgages necessarily vary, the bulk of final maturities will occur in a range having an average of about 16 years.

(See also answer to question 1, above.)

4. Question. The answers under questions 2, 3, and 4 suggest the possibility that the exchange will be treated by the present bondholders as a straight par value dollar-for-dollar exchange. In other words, for each par value of 2¾-percent Treasury bonds, investment series B, given up, the present bondholders will get a par value dollar of 4 percent VA-insured mortgage. According to the answer, the VA-insured mortgages are seasoned and have a relatively early maturity, whereas the investment series bonds do not mature until 1980, callable in 1975, and while nonmarketable, are nevertheless exchangeable for 1½-percent 5-year Treasury marketable notes which are currently selling at a 9½ point discount. Isn't the net effect of the proposed exchange, therefore, to give the present bondholders higher yielding assets than they now hold without any real capital loss (perhaps even with a real capital gain), even though they may be able to claim a capital loss or an ordinary loss for tax purposes?

Answer. The answer to question 2 above explains fully the taxable status of the proposed sale or exchange of the FNMA 4-percent VA-guaranteed mortgages for 2¾-percent Treasury bonds.

Investors who are willing to exchange their 2¾ percent bonds for 4 percent mortgages will obtain an asset on which they will collect somewhat more interest than they now receive on the Treasury bonds. However, as pointed out in the answer to question 7 below, the 4-percent interest received on the mortgage will be reduced by the expenses and servicing costs incurred by the mortgage holder (this may amount to one-half of 1 percent or more). Many of the present bondholders who may make the exchange are subject to Federal income taxes. Any increase in interest earnings will be reflected in higher tax collections by the Treasury.

The difference between the average maturity term of the mortgages and the maturity of the 1½ percent notes (into which the 2¾ percent bonds are convertible) is a factor which influences the current market values of the two instruments. Inasmuch as the market values at the present time are approximately equal, holders of the bonds who exchange them for the mortgages will be able to substitute in their assets approximately the same par value of mortgages (an instrument partially guaranteed by the Veterans' Administration) for an equal par amount of 2¾ percent Treasury bonds (a direct public debt obligation of the United States). Because of this coincidence based upon present market prices, it is believed that some holders will be willing to exchange their bonds for mortgages, since both instruments are based in varying degree upon the credit of the United States.

Again, as pointed out in answer to question 2, this type of transaction takes place frequently in the market as investors sell Government or other bonds at a discount and buy other securities or mortgages for the purposes of realizing greater investment income.

5. Question. The answer to question 8 indicates that in fact the proposed exchange will leave the Treasury with the need for borrowing $335 million, just as if the level of mortgage purchases by FNMA proposed in the budget were to be financed without recourse to additional sales or exchanges by FNMA. Is this inference correct? If so, what useful purpose is served by the proposed exchange of FNMA assets for Treasury bonds of a lower yield?

Answer. The Treasury's answer to previous question 8 was directed to the specific inquiries raised in that direction. It was pointed out that the exchange or sale of mortgages owned by FNMA for Treasury 2¾-percent bonds would not increase, reduce, or change the Treasury's need to borrow $335 million to be expended by FNMA for the purchase of mortgages in fiscal year 1960 under its special assistance program. However, a distinction was made between a transaction involving the sale or exchange of mortgages for Treasury 2¾-percent bonds and a transaction involving the sale of mortgages for cash.

The purpose to be served by the proposed exchange probably can be understood better if the operations of FNMA are briefly reviewed.

FNMA was reorganized under the FNMA Charter Act approved August 2, 1954. It was given three separate functions which are operated independently of each other, and for which FNMA must maintain separate accountability.

The first function involves the purchase of mortgages under its secondary market operations. The Treasury furnishes some capital for this operation, but the law contemplates that ultimately private capital will be substituted therefor. Funds for this activity are currently obtained principally by borrowing from the public. Expenditures under this program financed by borrowing from the public are not reflected in budget expenditures.

The second operation involves the purchase of mortgages under its special assistance functions. Funds for purchases of mortgages under this program are withdrawn from the Treasury and are reflected as budget expenditures. Collections and sales of mortgages under this program are also reflected as receipt items in the budget (credited against expenditures). Net budget expenditures for the special assistance program were $129 million in fiscal year 1958. They are estimated to amount to $867.8 million in fiscal year 1959 and $500 million in fiscal year 1960.

The third operation relates to mortgages held by FNMA when it was reorganized in 1954 which were required to be set aside under its management and liquidating functions. These mortgages had been acquired with funds borrowed from the Treasury, and when the mortgages were originally purchased by FNMA such purchases were reflected in budget expenditures. Collections from and the proceeds of sales of these mortgages have been reflected as receipt items in the budget (by credit against the expenditures). The Treasury is the residual recipient of all profits and losses from this operation. Net budget receipts (credited against expenditures) from the management and liquidating program amounted to $157.6 million in fiscal year 1958. They are estimated to amount to $190.2 million in fiscal year 1959 and $500 million in fiscal year 1960 (including the $335 million from the proposed sale of mortgages for 2¾ percent Treasury bonds).

The President included the following statement in his message to the Congress (p. M53) transmitting the budget for fiscal year 1960:

"For the fiscal year 1960, the Association will endeavor to cover its expenditures for mortgage purchases by receipts from mortgage sales and other sources. To make this possible without diverting the flow of new funds from the mortgage market, an estimated $355 million in Government-owned mortgages will be offered to investors in exchange for certain Government bonds which then will be retired."

The Congress made specific provision in the FNMA Charter Act, approved August 2, 1954, for the liquidation of mortgages owned by FNMA at that time. That act contains the following directive:

"The Congress hereby declares that the purposes of this title are to establish in the Federal Government a secondary market facility for home mortgages, to provide that the operations of such facility shall be financed by private capital to the maximum extent feasible, and to authorize such facility to—

"(a) * * *.

"(b) * * *.

"(c) Manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government."

The proposed sale or exchange of $335 million of 4-percent, VA-guaranteed mortgages held in the management and liquidating program is a step in carrying out the congressional directive referred to above. In addition it will permit the maintenance of a balanced budget without requiring additional reductions in other expenditures or increases in taxes.

6. Question. The effect of the proposed exchange, as shown in the budget, is to reduce FNMA budget expenditures by $335 million. The answer to question 8 seems to state in effect that the proposed exchange does not affect the real volume or character of FNMA operations for the fiscal year. That is, the proposed net absorption or release of investable funds as a result of FNMA operations will not be affected by the proposed exchange. Is this inference correct? If so, doesn't it mean that the budget expenditure savings of $335 million is merely a bookkeeping savings?

Answer. The Treasury's answer to previous question 8 was not intended to lead to the inference that the proposed sale or exchange of $335 million of mortgages for 2¾-percent Treasury bonds does not affect the real volume or character of FNMA operations for fiscal year 1960.

As pointed out in the preceding answer to question 5, FNMA is conducting two operations having direct impact upon the Federal budget, namely, the special assistance program and the management and liquidation program. Net expenditures under these two programs, excluding the estimated receipts from the exchanges of mortgages for the 2¾-percent Treasury bonds, are estimated to amount to $335 million for fiscal year 1960. These estimated expenditures have been offset in the budget by estimated receipts of $335 million in the management and liquidating program from the sale of mortgages for 2¾-percent Treasury bonds. Unless these $335 million of receipts from the proposed sale of mortgages are realized, the estimated budget surplus of $70 million for fiscal year 1960 will be changed to an estimated deficit of $265 million. The sale or exchange of the mortgages for 2¾-percent Treasury bonds has the effect of applying these budget receipts to the reduction of an equivalent amount of the outstanding public debt. The public debt obligations will be received and retired. They will no longer represent an outstanding debt of the United States. Under these circumstances, it would seem clear that the proposal is not "merely a bookkeeping savings."

7. Question. The answer to question 8 also states that the proposed transaction, while not reducing the Treasury's cash needs, will have the effect of reducing the outstanding public debt, thereby furnishing the Treasury somewhat greater leeway under the present debt limitation. Is this the major public purpose to be served by the proposed exchange? If so, isn't the price to be paid—the possible loss in tax revenues, the reallocation of interest payments to private holders and away from FNMA, and the very likely net increase in total interest payments—too high?

Answer. In the Treasury's answer to previous question 8, it was stated that the proposed transaction "would have the effect of reducing the outstanding public debt and thereby furnish a like margin under the public debt limitation which would be available for use by the Treasury" in financing its other needs. This statement was intended to refer only to one of the collateral advantages of the proposal, and was not intended as an indication of its major public purpose.

As indicated in the Treasury's answer to previous question 4, and as more fully explained in answer to question 2 above, the proposed transaction involves only an insignificant loss at most in tax revenues.

The net rate of interest collected by FNMA on the mortgages (after deducting its expenses and servicing costs) is somewhat more than the rate of interest paid by the Treasury on the 2¾-percent Treasury bonds. However, this represents the evaluation of investors in the public marketplace of the relative difference between investments in direct public debt obligations of the United States and investments in private mortgages guaranteed by the Veterans' Administration.

The Government should not actively compete with private industry by purchasing and holding interest-bearing mortgages and other evidences of indebtedness of private parties solely because it can make a profit over the lower rates of interest it pays when it borrows on public debt obligations.

Mr. SPARKMAN. Mr. President, with further reference to the same subject matter, on April 29, I wrote the FNMA to inquire about plans being made for the proposed exchange of 4 percent mortgages for 2¾ percent bonds. After receiving a reply to this letter and after reviewing the material supplied to the Joint Economic Committee, I wrote the FNMA again on May 13.

In the second letter I questioned the wisdom of the exchange from the standpoints of, first, the obvious loss of yield by relinquishing the mortgages; and, second, the possible loss of revenue if participating institutions should find ways to claim losses for tax purposes. I also asked for certain specific information regarding the loss of income involved in trading 4 percent mortgages for 2¾ percent obligations. To date, I have not received an answer to my letter of May 13.

I still believe that this matter should be reviewed by the Committee on Banking and Currency. I hope that a hearing can be scheduled soon.

RESPONSIBILITY OF BUSINESS IN PUBLIC AFFAIRS

Mr. BUTLER. Mr. President, the preservation of American institutions requires a new awareness of the impor-

tance of government in the lives of all of us.

One of the important employers in the State of Maryland is the American Can Co. It has taken a leading role in encouraging its employees regardless of party affiliation to participate actively in politics, which in short is the science of government. I take pride in this civic activity.

Mr. William C. Stolk, president of the American Can Co., delivered an address entitled "The Responsibility of Business in Public Affairs" at the midyear meeting of the Chemical Specialties Manufacturers Association in Chicago on May 20. He concluded with the following quotation from Thomas Jefferson, which all of us can endorse:

> I know of no safe depository for the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion through education.

It gives me great pleasure to commend Mr. Stolk for his enlightened leadership in encouraging his employees to become active citizens in their respective communities. I know that each of us will welcome the communications which he is urging his employees and managers to address to us on important issues of the day.

Needless to say, we may not always be in agreement, but if our constituents are informed about the issues which concern us, and they take the time and trouble to present us with information which otherwise might have eluded us, they will perform one of the most important functions which any citizen can undertake in a free society.

Mr. President, I ask unanimous consent that Mr. Stolk's stimulating address may be printed in the RECORD at this point.

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

THE RESPONSIBILITY OF BUSINESS IN PUBLIC AFFAIRS

(Address by William C. Stolk, president, American Can Co.)

Having been in the sales end of business most of my life, your invitation to be here today is not only an honor but a real treat.

There could be no greater pleasure for a salesman than an invitation to sell his bill of goods before several hundred fine customers and equally fine prospective customers, without interruption.

Despite your generosity, I will avoid talking about insecticides, disinfectants, waxes, and polishes, and, of course, cans, though the temptation to do so is strong. It would be wonderful to discuss with you new developments, new products, and new markets, and to paint a picture of a great and glorious new future we might share together.

This I would do if it were not that I have become so deeply concerned—as have many other businessmen—with the ominous outlook facing our country. If things continue to go the way they have, there is real reason for serious doubt that we, as a nation, have a glorious future in store for us.

I came here to sell—but not containers. If any businessman has not already been sold, he needs to be sold on the absolute need and urgency to participate in public affairs. My goal today is to convince you of the need for your participation in this vital area and for your help in encouraging, stimulating, and helping your managers, your business associates, and your friends to do likewise.

We, as businessmen, have been working vigorously and conscientiously to increase productivity, cut costs, and provide a firm basis for a constantly improving standard of living. But people in increasing numbers are discovering that while we have been busy developing, financing, producing, and marketing new products and services, powerful forces have been working at least as diligently to develop, finance, produce, and market ideas that are seriously undermining our political and economic system.

Standards are being lowered, ideals are being downgraded, character is being weakened, and our Constitution is—in effect—being rewritten. The freedoms now becoming popular are: Freedom from care; freedom from effort; freedom from responsibility; and freedom to get without having to give.

The public is being hoaxed into believing that the Nation can consume more than it produces, that our standards of living can be increased by restricting output and reducing hours of work, and that the "good life" is a life of irresponsibility.

Efforts are being made to convince the public that the way to have booming prosperity in this country, improve living standards, and withstand the threat of annihilation by Russia—is to forget the balancing of the budget, maintain existing tax rates, increase Government expenditures, hamstring business incentive and initiative, build a larger and more powerful central government, and move further and further along the road toward socialism.

Some politicians in government, in labor unions, in our two great political parties, and—sad to say—even in our educational institutions have been promoting concepts, ideas, and legislative actions which will surely rob the public of a substantial part—if not ultimately all—of its bank savings, series E-bond savings, life insurance protection, pension rights, and other property values.

These same politicians are promoting the idea that business is suspect, that big business is particularly bad, that anything which is good for an employer could not be good for an employee. They are coldly contriving to break down public confidence in and respect for business—particularly big business. This despite the fact that business, and business alone, makes possible the goods and services used by consumers, the income used by tens of millions of people to support their families, and—both directly and indirectly—the great bulk of Government income.

To my mind, we businessmen, individually and collectively, have become much too refined for this day and age. We have striven too hard to seek universal acceptability for ourselves, as well as for our products.

We have devoted too much effort toward attempting to find areas where we can agree with other business managers, with labor leaders and with Government. We have made too little effort to think about, and speak out on areas of disagreement with labor leaders, with Government, and even among ourselves. We must not, of course, confine ourselves to the purely negative exercise of saying "we are against what you are for." But in order to make clear to everyone what we stand for and why, we cannot avoid taking an open position against schemes that are designed to overturn the things we seek to advance. For example, as we speak out to support and promote the continuance of a free competitive market for goods and services, we have to oppose the ideas of those who want to see all business management directed by some combination of Federal bureaucracy and union trusteeship.

Business managers have assumed that, in the area of public affairs, their responsibilities to society are adequately discharged by making a financial contribution, once every 2 years, to the party of their choice and by contributing to the support of business organizations which take stands on legislative issues. This may have been adequate in the dim past—but certainly not in the recent past, and assuredly not now.

You and I and other businessmen, as corporate executives, must give more personal attention to our unique opportunity to exercise the art of leadership—to fulfill our unique responsibility as managers of human resources. As corporate executives we have great opportunity to demonstrate and promote sensible ideas and constructive actions for the common good. Let me be specific: I believe that the economic realities, and the social and political principles, that have operated to achieve success for the American Can Co. as a corporation, are the same realities and principles that have operated to achieve success and prosperity for every employee—in our business, in your business, and for every citizen.

As corporate executives, you and I stand at the head of groups of employees who can and will judge, first-hand, whether our management ideas make sense and deserve their agreement and support. When our own people learn first-hand from us what we stand for—and when they decide for themselves that they agree with us—we will have accomplished our principal duty of leadership as corporate executives.

This, however, is not the end of our task.

You, and I, and other businessmen—as individuals—must, in order to be good leaders and good citizens, become politically sophisticated. We must, as individuals, personally participate in the job of helping to select, nominate, and elect able people to public office.

If we fail to do so, we can look forward with certainty to the day when the corporation will become obsolete and the Government will become absolute.

Because we—in the American Can Co. management—are so strongly convinced of this, we decided some months ago to do something about it.

We decided we were not going to be passive and thus be a party to permitting our country to be led, unobstructed, into intellectual, moral and financial bankruptcy by a relatively few, highly vocal people—people who are either selfish, shiftless, power-hungry, well-intentioned, but misguided, or are proponents of another kind of political and economic system.

Here, briefly, is what our company is doing in an effort to help preserve and strengthen our economic and political institutions.

We at American Can Co. have laid out a four-part program. Some of the parts are already in action, others are in the make-ready stage. Let me emphasize that no part of our program is a one-shot project or a temporary campaign. All four parts are designed for long-term action, from now on. We wish we had started them years ago.

Part 1 is to inform, equip and encourage everyone in our management organization to lead out, and speak out, on the business facts that have a direct bearing on the economic and social well-being of our own company, our own people, and of the Nation. And by "everyone in our management organization" I mean our people at every management and supervisory level from the front office to the shipping dock.

Part 2 of our program is to make sure that every employee, and his family and his neighbors, gets from us, both face-to-face and in writing, a continuous flow of facts and viewpoints to round out his understanding and make it possible for him to reach judgments based on all of the truth rather than only part of it. We are constantly on

guard not to underestimate our people's intelligence, or overestimate the amount of information they already have.

The third part is to give our managers the opportunity to study political processes and learn the art of practical politics. Our purpose here is to give our managers, and through them all employees, genuine encouragement to participate actively in personal politics—on their own time and at their own expense, in their own precincts and wards, through the party of their individual and personal choice.

The fourth part of our program is to give elected officials, through our management organization, our management views on important national issues as they come up for consideration in pending legislation.

The first two parts of this program do not require anything different in the way of organization structure or operating techniques. This is not to say, however, that these parts will operate by themselves without careful planning and constant attention, from the chief executive on down. Several months ago I tried to summarize this area of our current program to our entire management organization, in the following three sentences:

1. Let us extend our principles of sound and successful management to provide an increasing initiative to lead out and speak out, in our plants and offices and in our communities, on the affairs that control the welfare of our business and the economic, social and political climate in which we live.

2. Let us take constant stock of our management decisions and actions, to be sure that our practices and actions are always consistent with our principles.

3. The task remaining, then, is to exercise both personal and corporate leadership, in talking and writing to people to get them to think straight—to make the right choice under sometimes difficult circumstances.

The third and fourth parts of our current program—encouraging personal political action, and putting our management viewpoint on national issues on record with Congressmen—are brandnew activities in our company. I want to take a few moments to describe how we are going about serving our apprenticeship in these new ventures.

Our decision to participate much more actively and aggressively in public issues and personal politics was made some months in advance of the 1958 elections, although not in time to make an effective contribution to a better understanding of the major issues involved. We did, however—through a personal letter sent to the home of each one—urge our 50,000 employees to register and vote.

During the second half of 1958, we also sent a series of letters to all of our top management people explaining the purposes of the program and soliciting their support. We asked 153 of these men—managers in plants and offices across the country—to act as official spokesmen for our company and establish direct relationships with the 153 Congressmen and 52 Senators representing the areas in which our facilities are located.

This group was asked to make themselves known to their legislators, to invite them to their plants and offices, and to discuss subjects of mutual interest. In addition, we wrote to the Senators and Congressmen telling them of our new policy of taking a much more active interest in public affairs, of our desire to be of service to them, of our plan to provide our employees with an increasing body of economic facts, and of our intent to speak out on important issues and to study legislative results.

It would be heart-warming to you and even inspiring, to read the substantial number of replies received from Members of Congress which expressed warm approval and enthusiastic endorsement of our purpose. These letters were about evenly divided among Republicans, Democrats, liberals, and conservatives.

We are not yet well enough equipped or experienced to be articulate on all important national issues before this session of Congress. So as a practical matter we are limiting ourselves this year to such critical matters as a balanced budget and sound fiscal policy, the encroachment of Government controls over business, and an effective labor law. On each of these, we have considered the problem and have taken a company stand on what we believe is right and what we think Congress should do.

These positions are documented in detail based on our analysis of the need to favor or to oppose proposed legislative actions. They are being given to every one of our top management people. Our positions are also being made known to middle management and all other employees through our normal communication channels.

The 153 managers selected as spokesmen for the company are asked to study these carefully formulated views, and then to make their conclusions known to their legislators. We, of course, expect that all of the others in top management, acting as responsible managers and public-minded citizens, are also studying our views and communicating their analyses to their Congressmen—on an individual and personal basis. We hope that eventually all 50,000 employees, their families and their friends, will join us in articulate support of the same objectives.

Needless to say we appreciate that, to the extent corporate managers confine their communication of ideas to legislators, their influence is limited. We want and expect our managers also to express themselves, on important issues to their management associates, to other employees, and in public. We want and expect them to help others to understand the fundamentals of sound business, sound government, and to enlist their support in working toward the common good.

We expect to be successful in helping our employees to gain an understanding of the kinds of legislation which will further the interests of themselves and their company, as well as the welfare of the country. But we know that we, as managers, cannot stop there. Management must also offer employees an opportunity to learn how to translate knowledge into forceful and constructive action.

For this reason we are currently testing out, at several of our facilities, a course designed to provide citizens with a basic understanding of the art of practical politics. This is a course prepared by the U.S. Chamber of Commerce which brings together 12 to 20 people for a 2-hour discussion, once a week, for 9 consecutive weeks. It is expected that those taking the course will be sufficiently well informed to exert a healthy and beneficial influence on politics in their precincts and wards.

How fast and how far we can go in offering this opportunity to an ever-increasing number of our employees will be determined on the basis of the results of our tests.

Nevertheless, we are firmly convinced that if our political and economic system is to survive—perhaps, even if our Nation is to survive—a very much larger number of citizens must actively work to aid in the selection of good candidates for public office, to nominate them, and to elect them. This being so, management has a definite responsibility to help provide its employees with opportunities for political education. We, in the American Can Co., are fully committed to bearing our fair share of this responsibility.

The payoff from all this educational effort will come only if and when knowledgeable people actually support the cause of good government with their own personal effort—using their own time and money. Thus, a vastly increased number of people must be encouraged, stimulated, and urged to work in their own precincts and wards for good government, through the party of their individual and personal choice. We intend to provide this incentive.

This is really all we should do. Because the decision to work or not work to promote the cause of good government must, of course, be left to the individual's personal conscience.

In conclusion I want to quote Thomas Jefferson. He said, "I know of no safe depository for the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion through education."

If and when your management, our management, and other business managements are well on the way toward discharging these important responsibilities to our employees, our companies, and our country, in the field of public affairs, the people will, we can be sure, become enlightened, and—as Thomas Jefferson phrased it—exercise their control with a wholesome direction.

THE BUREAU OF THE BUDGET AND DEFENSE FISCAL POLICY

Mr. BUTLER. Mr. President, in recent days we have heard much from officials quarters as to the assignment of priorities for the appropriation of Federal moneys. Apparently even within the administration this system has a fleeting or transient quality, a condition which places in the hands of the Bureau of the Budget a requirement, or power, of determination of growing magnitude. In the U.S. Naval Institute Proceeding for April 1959, Capt. Donald G. Gumz, USN, has astutely analysed this latter-day proclivity, and I ask Mr. President, that his excellent article entitled "The Bureau of the Budget and Defense Fiscal Policy" be printed in the body of the RECORD at this point.

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

THE BUREAU OF THE BUDGET AND DEFENSE FISCAL POLICY [1]

(By Capt. Donald G. Gumz, U.S. Navy)

This paper was intended to be a castigation of high handed and arbitrary methods of budgetary control utilized by the Budget Bureau in a self-designated role of judge and executioner for all programs and plans requiring Federal expenditure. The author, in the course of research, has found that while the methods used are to some extent arbitrary, the role of judge and executioner is by no means self-imposed. Rather, the role of arbiter has been imposed on the Bureau by default.

The military departments within the Defense Establishment contain the professional talent necessary to evaluate and apportion the financial outlay best suited to meet national security requirements within the limits prescribed by national political and economic considerations. These talents have been used to a large extent in the parochial arena of inter- and intra-service debate. The result has been the evolution of an arbiter in the Office of the Bureau of the Budget.

[1] The opinions or assertions in this article are the personal ones of the author and are not to be construed as official or as the views of either the Navy Department or the U.S. Naval Institute.

An executive unit with the authority of Presidential decree in the field of finance, the Bureau has become an incisive decision-making body in any field requiring funding, with the sole objective and responsibility of insuring compliance with politico-economic policies which it helps to formulate. In effect, the bookkeeper has been called upon to manage the corporation. It does not necessarily follow, however, that a defense establishment generated in this manner will be effective. Nor can the responsibility of its lack of effectiveness rest with the bookkeeper.

Back in the comfortably uncomplicated days when there were only two military services and each of them was directly represented at the highest policy level of that day, the Presidential Cabinet level, spheres of conflicting interests between them were relatively few and easily resolved. The sea was the sea, and the land the land, and air free for all. Space above the air was certainly no issue. No program representing "dollars for survival" of a service, or even a branch of a service was essential. The kaleidoscopic age of technological advances has made a melange of this comfortable arrangement. Complexity of issues has grown beyond all bounds within which planning was conceived but 25 years ago.

In 1921 an office to provide suitable budgetary accounting was recognized as good business for a rapidly growing national budget. By 1946 the same office was dictating the size of the Military Establishment through control of the purse and was being asked for managerial concepts in all areas of Government. In the Cabinet, the Secretary of the Interior was protesting the methods by which "people down the line in the Budget not much above the status of clerks made allocations within departments between various bureaus and offices of that department." In October of 1946 the Secretary of the Navy was being advised by the Director of the Budget, James E. Webb, that he should submit alternative budgets in terms of fleet efficiency and capabilities. Mr. Webb expressed his desire that the Secretary of the Navy have an opportunity to submit any views along these lines before he, as Director of the Budget, went to the President with his own ideas of what to recommend to Congress for National Defense. In these cases it appears that already the bookkeeper is telling the president of the company how much to spend in which department rather than how much the company is worth. In point of fact the appropriation bills for fiscal 1948 did go through in accordance with the ideas of the Bureau of the Budget, and there was no visible effort to weigh the resulting military capabilities, or rather limitations, against diplomatic or security commitments. The beginning of the era of frustration in defense planning was at hand.

On July 27, 1947, Forrestal was confirmed by the Senate as the first Secretary of Defense. For the next 2 years, less 3 months, during which he served in this capacity, he was to be engrossed in the tremendous problems of organization. That year and subsequent years to the present were to witness the rapid erosion of an effective military machine under the lid of monetary ceilings held down by the Bureau. A struggle for the available dollars began between the services which was to forfeit for the Military Establishment its opportunity to develop and justify, as a unit, a sound program for defense. The battle for position in the newly created Department of Defense was absorbing the talents of those best qualified to advise the Nation of its armament needs.

In the meantime the Council of Economic Advisers, established in 1946 as the watchdog of the national economy, was getting off to a slow start. There was an obvious reluctance on the part of the Bureau of the Budget to accept another agency in the fiscal arena, as a part of the Presidential family. The Bureau of the Budget already operated a fiscal division which badly needed as an excuse for existence a permanent responsibility of economic forecasting. An agency independent of the Bureau would be another element to contend with in the already formidable job of interstaff collaboration. The Director of the Bureau was careful to assist the newcomer in the direction that would least interfere with the senior Executive Office unit. Under the first Chairman, the Council followed an ultraconservative and largely an academic policy. In comparison with the dynamic Budget Director, the voice of the Council faded to inaudibility. Even after Leon Keyserling became Chairman, the Council could not gain an influential position from which to advise. By 1952, when the Republicans moved in, its status was at a low ebb. An agency which might have developed into a suitable analytical and advisory mainstay for the President as a balance in economic judgment for the accountant group of the Budget Bureau was sidetracked into impotency. The Bureau remained the sole instrument of any permanence in a position to implement fiscal policy, and the executor of policy when policy is nebulous becomes a formulator of policy as well.

Experts in any accounting organization are influenced by a strong feel for economy through proper management. Accounting as a tool for management efficiency is considered by many experts in this field as the forte of accounting as a science. Novick of the Rand Corp. has written an entire methodology of military programing for the Air Force on this thesis. However, he is careful to point out that the methodology based upon accounting practices is a tool for developing the program, not a guide for establishing its scope or its content. Scope and content are fundamental parameters established through a study of military requirements. Since 1945 it has been more and more apparent that the Bureau of the Budget has gradually reversed this sequence by assuming scope and content based on arbitrary dollar ceilings in estimating defense requirements. The annual exercises engaged in by the services in arriving at their estimates of size of forces in support of the national security policy are made to fit this preconceived concept in budgetary review.

It cannot be argued that determination of the degree of security for which the Nation is able to pay is not an economic problem. In the expert opinions of a multitude of respected economists, however, even in a peacetime economy the average defense budget over the past 10 years has never become a dangerous strain on the Nation's ability to pay. It does not follow then that the Bureau of the Budget should be formed to fit defense funding under a level budget for economic reasons. The upper limits are fixed by disassociated processes, and the Bureau is required to provide the pseudo-technical, pseudo-tactical, and pseudo-strategic logic in support of such action in the process of shrinking military estimates to size to fit within arbitrary monetary ceilings. In the effort to squeeze material requirements into predetermined dollar packages, the lower echelons in the process of review have been called upon to second guess the military in detailed areas of military judgment in which, regardless of their caliber in their own field of endeavor, they cannot have and do not claim competence. But since political leadership does not find it expedient to accept such responsibility, and the military in good faith cannot, the bureaucrat must take the action himself to comply with the political leader's desires.

The Office of Budget Review is annually faced with the same dilemma. It must review the programs of the three services with regard to the size and scope of the required Military Establishment in relation to the broad policy set forth by the President, the cost as estimated by the military planners, and, in the process of review, reduce the cost estimate to a fiscal ceiling specifically set by Presidential decree. The size and scope of military requirements are developed from estimates suggested by the National Security Council based upon sources generally independent of the politico-economic advice upon which limits of the corresponding national budget are based. Invariably, because domestic considerations influencing the national budget are of immediate and local import and the international situations and commitments upon which the defense requirements are based are less obvious and of little immediate concern to the politically potent taxpayer, the two policy guidelines are far from compatible.

Just as invariably the fiscal policy guideline is the one that remains inflexible, and requirements for security are rationalized downward to fit—not by the military planner but by the Bureau of the Budget. Since the budget reviewers have no direct responsibility for the capabilities of the military machine to meet its commitments but have a very real one to insure that the cost remains within prescribed limits, they have far less hesitancy in gambling with forces both in being and potential than has the military witness presenting his requirement.

It is not intended by the above conclusion to imply that the reviewing authorities within the Bureau are lacking in integrity or that they are not motivated by the highest ideals of Government service. There is no question as to their past effective performance in saving the services considerable sums through knowledgeable suggestions based on past performance of industry, contractual negotiations, statistical analysis, and improved accounting procedures. These legitimate and beneficial aspects of accounting analysis and review, however, cannot hope to provide the large sums essential to reduce the initial cost estimates for required forces to within the established limits. A defense budget of $48 billion cannot be cut $10 billion by such means. Force goals must be radically reduced. Obviously the military must reevaluate their requirements and resubmit with fewer numbers and less cost to do the same jobs. This is the area of argument providing the opportune variable. This is where the broadly worded directive "to maintain level forces for the long pull" can be complied with most readily and where the myth of "level forces and level funding" can be conveniently prescribed.

But since the controlling policy directive for the military programer has remained unmodified and the commitments of the military are not to be reduced, the military planner can wrestle with his conscience just so far and must eventually resubmit programed forces costing well above the set figure. Even with the more flexible conscience of the Defense Department layman further reducing these estimates to figures more nearly compatible within his less than expert judgment, it remains for the budgeteer to find technicalities in areas other than military science to reduce forces to the funding limit which has been set.

It is at this time that the budget reviewer's store of statistical lore, historical background, continuity of office, and archaic files are used in the great rationalizing purge. The manufacturer cannot produce that many aircraft in the estimated lead-time allowed by contract, therefore, so many fewer B-52's are required. A shipbuilding and drydock company has a contract for a liner hull and the employment level cannot support the additional cruiser start this next year. Therefore one less cruiser is required. Chrysler Corp. will have difficulty getting a third plant into full production in time to meet the missile contract being

sponsored in the current budget, and so delete it as a requirement this year. One company's product currently operational in the fleet is rumored to have many faults which may well indicate the follow on model will not be very good, and so drop the order for so many new fighters for naval air for the time being. Reduce the numbers in inventory in the meantime by cutting the size of squadrons as necessary. Newer equipment is more efficient, and so the same job can be done with smaller numbers. Reduce the requirement. In some instances these conclusions are partially accurate. In many more they are far from being even a near estimate. But in all cases they are judgments rendered by budget review authority on force requirements based on the precept that in some manner the cost of the program must be reduced to prescribed ceilings.

Now it may be argued that at no time is the actual force requirement as established by the military questioned by the review. As a matter of fact the Bureau is very careful to avoid, by word, any semblance of attempting to fix force levels. By the process of finding in individual programs reasons why the monetary estimates are too high for the particular budget under study, however, the hardware is not funded, and as a matter of course the actual numbers in that particular equipment are reduced. The results are the same. Or in the case of current expenditure for operating costs, lower estimates than those submitted by the military programers, based on the judgment of the reviewers, effectively curtail the number or the quality of trained personnel produced and the number of machines and aircraft operated. The lower estimates of the Bureau over the past 3 years in the area of POL costs has in each of the three services forced curtailment of planned training rates in aviation, ship operations, and field maneuvers.

A CASE IN POINT

Let us take as a case in point, the development of a major slice of the Navy program, specifically, the planning and projection of aircraft force requirements to meet prescribed commitments of the Navy as set forth in broad NSC and JCS directives. It is fairly typical of the evolution and ultimate dissolution of programs in other defense areas.

Initially there is a certain amount of naivete in the approach of the neophyte military planner to his problem in Washington. He cannot understand how his predecessor could have gotten his projected program so completely confused. He searches for logic in irrelevant past procurement and for equipment which should have been ordered to meet reasonable, programed requirements in the past. The requirements remain fundamentally sound and have existed for years, but contracts if let were canceled or curtailed. In his search for answers, he continually runs against the lack of funds barrier. Gradually he senses that this phrase cannot possibly apply to all the troubles he finds himself in, particularly in the area of program balance.

After living with the problem for about 18 months and being of reasonably adequate intelligence, he recognizes that what is probably lacking is a realistic projection of his program far enough ahead in time to arrive at the required goal through an orderly evolution of procurement cycles. He reviews all available authoritative papers to establish his goal and discovers, generally, that a fairly constant military posture is to be anticipated. Seeking advice and counsel from his technical bureaus, he carefully develops inventories of hardware at periodic intervals into the future toward his goal. Plotting inventories against required types and numbers of equipment, he arrives at deficits to be filled in an orderly manner over these same time intervals. He turns again to his technical bureaus for the latest estimates in availability of specific hardware for purchase and, in consultation with his warfare desks and the forces afloat, selects the proper hardware for his shopping lists. He then has the basis for his cost estimates for new procurement for the budget years ahead in sequence. All that remains is to keep the program current by minor modifications as objectives change or breakthroughs in the state of the art may dictate.

He also has the essential information on which to base operating costs for each time cycle and to estimate manning levels required. He notes with some trepidation that the bill he must submit each year has a steady slope upward but is assured by his technical staff and comptroller groups that this is a forecast inflationary trend balanced by a similar rise in the gross national product, and, percentagewise, his cut is remaining reasonably constant. His program is contributing toward maintenance of "a level force for the long pull," and he has provided for an acceptable degree of equipment modernity with fair consistency. He is prepared to submit and justify the program on these grounds.

Across the river another group of planners are approaching the problem with a different set of guidelines. The majority of this group has been at this business for a considerably longer period of time and is much closer to the ruling body-politic. They are not handicapped by periods of absence in other pursuits nor by practical background and experience in managing the machine they are so adept at dissecting. Nor is their problem particularly complex their goal being far more specific. It is represented by a top limit beyond which the cost of a military program must not go. While the breakdown between and within the services is not so rigid, the end total must not be exceeded, and if the Defense Department cannot resolve the arithmetic of defense costs to meet this goal, it is the duty of the Budget Bureau to do the job for it. By law the Bureau must estimate costs of each program. By administrative procedure and by influence, the Bureau reshapes the program itself.

INFLUENCE ON DEFENSE PLANNING

To obtain a proper feel for the degree to which fiscal control can influence the shape of defense posture, it is necessary to compare the amount of total military budget available for modifying any status quo and the time period associated with the evolution of any significant change in existing forces. Most significant is the fact that less than 25 percent of the total annual fiscal outlay can be associated with the modernization of military hardware under normal long pull peacetime economy. The balance must go toward overhead and operating costs.

Of almost equal significance is the lead time associated with the development and production of modern weapons systems. It is obviously vital that carefully evaluated plans must extend well into the future to permit orderly phase-in of equipment which calls for up to 7 years to evolve from concept to quantity production.

When a major technological breakthrough occurs, such as jet propulsion for military aircraft, the problem becomes one of even greater magnitude. For example, the first jet propelled fighter for naval carrier aviation was flying in 1943. Even with a war economy and the added impetus of the Korean police action on budgeting largess, it was impossible for the Navy to completely reequip its fighter squadrons with jet types for 10 years. A similar example is presented by the replacement program of the Air Force in their introduction of the B-52 as a replacement for the B-36.

With but 25 percent of the annual expenditure for defense available for modernization and with the total capital outlay represented in the inventory of combat aircraft exceeding by a factor of 12 the average peacetime defense budget available for new procurement over the past 10 years, it is obviously impossible to maintain an adequately modernized force, regardless of reduction in development lead time. The reduction in both quantity and quality of military forces is inevitable.

It is mandatory that the military planner consider the established policy to maintain level forces as a maxim in developing projected military requirements. It is even more imperative that these scales of force remain as vital in support of national commitments overseas. Regardless of how fine the estimates are shaved, the long pull figure for the defense budget totals in the neighborhood of $52 billion annually, as of 1956, and rises each year at a rate of some 3 to 4 percent, paralleling the projected inflationary curve. Each year that this figure is undercut, it adds to the subsequent years' requirements and only postpones the inevitable reckoning. Ultimately, any serious logical attempt to maintain a strong military posture becomes impossible. Disoriented expediency becomes the determining factor governing size and modernity of forces. Programing disintegrates. Piecemeal replacement of obsolescence, with no chance to remold the character of the force, becomes the paramount goal. And the parameter of balanced forces loses its efficacy, since only imbalance can result from such fragmentary efforts.

In this piecemeal, fragmentary approach to creation of our military machine, we find a strong motivation for survival in each of the services, as each establishment sees itself in danger of elimination as a potent force under the shrinking dollar availability. Each service recognizes in the others a vital element of the defense team but cannot, in good faith, accept its own demise or impotency. Where there is insufficient for all to survive, and each thinks of itself as essential for the welfare of all, the most altruistic will be justified in approaching the problem from an individual point of view. On the other hand, if a group of individuals dedicated to a common cause have at their disposal the wherewithal to share in contributing to that cause, a logical approach toward the desired end can be expected. With adequate funding for defense made available (adequate from the point of view of balance against commitments), there would be an objective plan, rationally arrived at and feasible of accomplishment. With an impossible situation resulting from diametrically opposed objectives, i.e., world leadership, but at no cost, there can be no logical solution. The justification of size of forces essential to a nebulous objective, governed by a very firm cost ceiling, becomes an exercise in semantics.

It is this fixation on a budget ceiling without balanced consideration of what is to be done with the end product that has become a fetish destroying our capability to hold a place in the world power battle. The fetish strikes across the board at all potency in the field of international relations, but it is particularly damaging to military security. From a position of "Hang the cost, let's get on with it" to the other extreme of, "If it costs more, forget it," the pendulum of fiscal policy has swung its arc.

Even the military programer in any specific field of planning becomes mesmerized by this fixation on monetary ceilings. This is not cost consciousness. It is a reflex to oppose any and all action tending to raise costs, acquired through association with, and contamination by, the process of budget review. The first test of any suggested change to a program becomes one of cost,

the immediate dollar outlay. The answer to this question is usually decisive. If it doesn't fit within the current dollar ceiling, it must be discarded, potential future savings or hazards of ultimate deficiencies notwithstanding. Rationalization of such a decision to encompass military arguments must be undertaken, with the end justifying the means. Unimpassioned analysis is not practicable under this type of pressure.

The Budget Bureau is under no such pressure and requires no further logic than monetary limitation. Cold appraisal based on algebraic addition to arrive at a predetermined sum is the simplified approach of the budget review process. Rationalization of reduced estimates or elimination of entire programs is not necessary. There is no arbiter beyond the Bureau itself to reason with. Not even the Congress can increase appropriations and authorize additional funds with any degree of certainty that utilization of such funds will be implemented.

THE MONETARY CEILING

Theoretically the Military has recourse to the President as the final decision authority. Practically such recourse is not available. The Chiefs of Service are so far removed, buried under mountains of civilian secretaries, that direct access requires a crisis upon which a career must be staked. Theoretically, the Bureau of the Budget in its review of military programs receives its guidance for monetary ceilings from the President. Actually these orders are formulated and promulgated within the Office of the Bureau. They are intended to implement policy as prescribed by the President after consultation with his most responsible and able advisers. Attempts to identify these advisers invariably lead in a circle.

Defense Secretary Wilson publicly acknowledged that his budgetary requirements were well in excess of the ceilings imposed. Imposed by whom? Previously quoted was a passage from Defense Secretary Forrestal's diary pointing to the Director of the Budget. Under the present administration, George M. Humphrey, when Secretary of the Treasury, has been considered the most influential economic adviser. However, his influence on the Defense Department is not apparent, and he was not a member of the National Security Council nor in the line of command with the Budget Bureau. It is difficult to assign him responsibility for setting defense ceilings. The Council of Economic Advisers has had insufficient stature to influence such decisions, though their advice in their fifth annual report, devoted to the subject, found no such ceiling essential to the health of the national economy. The President's chief political advisers on the White House staff, including his Special Administrative Assistant, Hauge, are strongly influential, but are primarily concerned with domestic political policies. In this composite group there is lacking the consistency of tenure which has been apparent in our defense fiscal policies extending through both Democratic and Republican administrations. And this brings us back to the only group in a position to advise authoritatively and consistently at the highest governmental level, the Bureau of the Budget.

The potency of the Director of the Bureau in this regard is confirmed by Edward H. Hobbs in his favorably biased study of Executive Office agencies in which he reports:

"The Director's influence over the President, nevertheless, is always to be feared by department heads, for in times past he has served as keeper of the Presidential conscience, and his instinctive habit of saying "no" may often counter the Presidential bias toward saying "yes." A director who has the confidence of the President and the Congress is strategically located for exercising influences which go beyond strictly money affairs."

This was written in 1953. There is little doubt that what was true in times past is even more significantly so today. In fact, his suggestion that the Budget Director become the Presidential Chief of Staff is as close to an accomplished fact as can be, without specific administrative order. Mr. Hobbs must have added the Congress as an essential confidant of the Director through deference toward that body, as the Congress has no control over the appointment of the Director and no direct influence over his actions in any way. The Director is not even required to defend the various components of the budget which he prepares for submission. Hobbs' point that the Director "is not particularly useful unless he can get along with Congress" has lost its validity several times since, most recently when the past Director suggested to Congress that they do their own reviewing if they wanted to find budget areas to cut.

IMPACT OF DOMESTIC POLITICS

The Budget Director is the President's man. The President is an elected official whose party stands or falls with him. Increased costs of Government, unbalanced budgets, and higher taxes are not conducive to success at the polls without a strong sales campaign and an unpopular one. Without an obvious crisis, such a campaign could mean political suicide. The President's man is strongly motivated to protect against such politically hazardous fiscal policy. It is, in fact, his primary motivation. His decisions cannot help but be biased by this criterion. And from his influential and authoritarian position, he shapes the security of the Nation with this criterion as the deciding factor.

It has become expedient to provide a governor for this rapidly expanding economy of ours under our system of free enterprise. The methods used seem to be most effective and permit reasonably fine control. We have observed, among them, adjustment of margin requirements in stock transactions, easing and tightening of credit through discount rate adjustment, commodity controls through subsidies, and other relatively painless but modestly effective fiscal measures. These are the vernier calibration tools. For the coarser adjustments what better tool can be found for the economist than the defense budget? Here is $40 billion a year to play with, $10 billion of which can be turned on or off annually as expediency may dictate. Is it possible that budgetary dictatorship is leading in this direction? A look at specific military force levels budgeted for since 1947 would tend to support the affirmative. But the scope of this paper prevents a detailed analysis of this precept. Classified material would have to be used. However, in one major program area, graphic curves of operating aircraft numbers against time have the contours of a roller coaster. It would be interesting to compare the hills and valleys in point of time with the fluctuating political needs for control of the national economy.

In their book on "Financing Defense," written in 1951, Albert G. Hart and E. Cary Brown point out that "* * * economic stabilization sets the standards for budget policy in a readiness economy. The outgo side of the budget * * * has to be shaped to the needs of defense."

They describe budget policy as taking outgo as given, with the effective use of tax policy as a tool against inflation to stabilize the economy in the face of inflationary pressure. After acknowledging that the pattern of military budgeting invites inefficiency as a result of the feast-or-famine history based on austerity followed by panic and offering as a basically sound rule the motto inherited from World War II—"Take the dollar sign off defense"—they submit, paradoxically, to monetary ceilings for the military as insurance for getting the most for the defense dollar. The perpetual mistrust of the economists toward granting the military a bottomless pocketbook is in perennial conflict with the acceptance that "For defense economies within the general framework of defense plans, our reliance must be upon the military themselves * * *." That some credence should be placed on this mistrust of the military is evident from a history of mistakes and inefficiencies associated with the administration of such large sums composing the defense budgets. That which is not recognized is that excessive checks and balances through external comptroller control and arbitrary dollar ceilings can be extremely dangerous.

If we must fear that the military would delve into the open purse with abandon in a single track objective of getting all they could while the getting was good under conditions of national crisis, it would appear that by similar singlemindedness, the Bureau personnel would be inclined to keep that purse securely zippered when periods of international relaxation permit. Since public opinion swings widely to both extremes and in the final analysis exerts the major influence, this has been the pattern. That part of our governmental organization best qualified to temper the extremes finds itself in opposing camps and in bitter competition. We must look to political leadership to remove the economics of defense from the political arena in a bipartisan approach, which will create an atmosphere of harmony within the segments of Government responsible for the national defense.

A CHANGE IN PHILOSOPHY

No great reorganization would be necessary within the Military Establishment to develop and present an accurate analysis of the forces required to back U.S. foreign policies and insure adequate military strength to meet obligations to our allies and to provide for our own defense. It has become quite obvious that along with a strong deterrent capability, contact forces are essential. Barring semantics of the partisan struggle for an adequate share of the limited Defense budget, professional military men with sufficient background and experience recognize and acknowledge the need for strength on land and sea and in the air. Jointly they are capable of advising the country of the cost, in manpower, and equipment, to balance with military power the Nation's aspirations in the world arena. Should the bill presented be beyond the limits the Nation is willing to accept, at least the Nation will have a realistic view of the disparity. Within lower limits less can be done, but again a fairly accurate estimate of where we must reduce our commitments can be made, or the relative risks of overcommitment can be more accurately judged.

It is a change in the philosophy of approach to military planning that is needed. The military planner developing force requirements must have an accurate and specific goal in mind. He must be aware of the relative costs of meeting that goal by means of the various weapons systems available to him. Efficiency in application of military power in support of national policy should be a strong motivating force influencing his final decisions. But he should not be asked to fit his requirements for a specific goal within a preconceived dollar ceiling. He should be free to assess the degree to which a dollar limit will or will not meet the requirement. He should be the source of unbiased information on the Nation's military readiness and capabilities before Congress, completely divorced from the necessity to defend, on political grounds, the Defense budget. His professional integrity should be unimpeachable, and his politics bipartisan.

The Bureau of the Budget should not be required to justify force goals in the military field. Nor should this office find itself in the position of rationalizing downward the size of the Military Establishment to fit within a preordained monetary ceiling.

Again let the shoemaker stick to his last and the Budget Bureau concentrate on the economy of operations by accounting analysis. If it is impracticable to divorce this Bureau from the political arena surrounding the Office of the President, it should be insured that adequate balance is provided in matters of fiscal policy through the Council of Economic Advisers and, in the Congress, by closer liaison with, and access to, the military professional.

SECRECY IN THE MUTUAL SECURITY PROGRAM

Mr. GRUENING. Mr. President, there is a growing and justifiable resentment in this body—and in the other body as well—against the veil of secrecy which has been thrown up by the administration with respect to the entire mutual security program.

Take, for example, the situation with respect to Cuba.

The budget request for defense assistance to this country is classified "secret." I have seen this estimate but cannot discuss it on the floor because it is all classified—I cannot divulge whether it is to be more or less than what was obtained by Cuba last year.

We do know and can divulge that it is intended as a minor part of the aid to Cuba, and I emphasize that it is a minor part, to grant $500,000 in economic assistance during the coming fiscal year to Cuba. This is $100,000 more than it is estimated will be granted for the same purpose to the same nation during the current fiscal year. But the rest of the Cuban aid program I am forbidden to discuss because it is labeled "secret."

I do know, however, that recent events in that nation are disturbing. Reports emanating from that country increase my anxiety that, at least with respect to this portion of the mutual security program, our efforts are not proving successful.

We know that our aid program in the past has been severely criticized because of the great military aid we gave to the dictator, Batista, who used our arms and ammunition to maintain his dictatorship and to slaughter his own people.

Are we going to continue this folly to his successor, Fidel Castro, who is, to say the least, an unknown quantity, or at best a dubious quantity?

In this connection, I ask unanimous consent that an article in yesterday's New York Times by R. Hart Phillips, entitled "Communists in Cuba Pose a Big Problem," be printed at the conclusion of my remarks, as well as an article in the same edition of that paper by E. W. Kenworthy, entitled "Congress Now Grows More Restive Over Foreign Aid" be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the articles may be printed in the RECORD, as requested.

(See exhibits 1 and 2.)

Mr. GRUENING. I urge that the Congress take the necessary steps to declassify the Cuban program so that we may know what is about to be done and take whatever steps Congress deems advisable. I suggest that every Member of the Senate take a look at this classified proposal and judge for himself, whether it is not, as I believe it to be, a scandal.

Let us put an end to the secrecy at our doorstep, and establish control over our taxpayer's dollars sent there.

Mr. Kenworthy's article, as I said, is entitled "Congress Now Grows More Restive Over Foreign Aid." I should think the Congress well might.

EXHIBIT 1

[From the New York Times, May 31, 1959]

COMMUNISTS IN CUBA POSE A BIG PROBLEM—CASTRO HAS YET TO TAKE FIRM STAND ON THEIR ROLE IN POLITICS

(By R. Hart Phillips)

HAVANA, May 30.—Cubans and the outside world are today attempting to measure the degree of influence the Communists have in the revolutionary government of Premier Fidel Castro.

Many Cubans feel that Dr. Castro's reforms follow the Communist pattern. They note his steps toward expropriation of the lands of the big sugar companies, both American and Cuban, and other big tracts under the new agrarian law, his drastic lowering of land values through mandatory rent reduction, and other reforms, which they say indicate that the Government is being led down the path to communism. They point to many key figures in the Government who are known to be sympathizers and close collaborators with the Communists.

"The Communists are a part of Castro's 26th of July revolution," Dr. Carlos Rafael Rodriguez, editor of the Communist newspaper Hoy, told this correspondent. "We are not participating in the actual government, but we are participating in the revolution because this is a revolution of the people.

"If you will read our program written in January 1956 and published in December 1957, you will see the coincidence between the program of the Castro revolution and the Communist program for this historic moment."

DECLARED PROGRAM

Dr. Rodriguez went on to say that the Communists believe Cuba must have economic and political independence, industrial development, agrarian reform, a change in fiscal and tariff policies and other reforms before going into socialism.

Conrado Bequer, recently elected secretary general of the Federation of Sugar Workers of Cuba, said yesterday that the Communists never helped the 26th of July labor movement until the 26th of December—5 days before the fall of the Batista regime.

According to Senor Bequer, the Communists have lost force in Cuban labor unions since the 26th of July movement won the elections in all unions this year.

"The Communists never helped or cooperated with the 26th of July revolution during its 2 years' fight against Batista," he asserted.

Senor Bequer went on to say that the Communists had been unable to elect more than 13 delegates to the recent congress of the Sugar Workers Federation which elected him secretary general.

The Communist newspaper Hoy and the official organ of the Castro government, Revolucion, have been engaged in a public argument for the last 3 weeks. Revolucion charges that the Communists are trying to divide the Cuban revolution by maintaining their identity instead of working for the revolution.

COOPERATE CLOSELY

Since the victory of the Castro revolution last January 1, the Communists and the 26th of July movement have been in close cooperation. Premier Castro has repeatedly said, "We will never combat communism."

So far, there has been no statement by Premier Castro directly criticizing or expressing his opposition to the Communists. One man high in the 26th of July circles said this week that the revolutionary government has "no intention of taking any action against the Communists, who have the same liberty in Cuba as anyone else."

The numerical strength of the Communists in Cuba at present is difficult to estimate. However, their organizing ability and the dedication of their leaders and members make them a formidable force against even the overwhelming majority of the 26th of July movement, according to the opinion of many.

At one time during the forties the Communists had 150,000 registered members. They began to achieve strength during the first administration of former President Fulgencio Bastita (1940–44), when they were given every support, controlled island labor, elected Senators and members of the House of Representatives and were given Cabinet posts. Later, after the party was outlawed by the Prio government and again by General Batista after he seized power in 1952, the Communists broke down the party to a hard core of faithful.

David Salvador, present secretary of the Confederation of Cuban Workers, which controls labor of the island, seemed to be in accord with the Communists several weeks ago when he declared, "Cuba can never be with the United States, which oppresses us."

CASTRO SUPPORT

Premier Castro supported Senor Salvador at that time against the former President of Costa Rica, Col. José Figueres, who was here as a guest of the Government. Speaking to a huge crowd of workers, Colonel Figueres said that the Latin American countries should be on the side of the United States in case of war between that country and the Soviet Union. Dr. Castro replied that Cuba would be neutral.

While Dr. Castro said in the United States during his visit in April, that Cuba would adhere to her treaties on hemispheric defense, he has never made that statement in a speech to the Cuban people.

At present the Communists are trying to build up their power in the island. There are no political parties under the revolutionary law, but the Popular Socialist Party, the name by which the Communists have been known since the thirties, works to organize its followers for any coming elections.

The old leaders of the Communist Party are back again. Among them are Lazaro Peña, former czar of labor under the first Batista regime and the Grau administration; Blas Roca, regarded as the top Communist leader, and Carlo Rafael Rodriguez. All are speaking over the radio and appearing on television, supporting the revolutionary government and attacking the United States almost daily.

RADIO STATION

They are attempting to get back their former radio station, Mil Diez, which was the only free channel station in Cuba. This station was taken from them by the Prio administration.

Since last January 1, the Communists have acquired sufficient funds to install a modern printing plant for the newspaper Hoy, the former plant of which was destroyed by the Prio and Batista administrations. There seems no doubt from reading Hoy that the Communists are highly pleased with their progress under the Castro regime.

The policy of the revolutionary government is the policy of Premier Castro. So, until he openly opposes the Communists, who are today active in the revolution, few

people here will believe there has been any serious break between him and them.

It is pointed out in some quarters here that it would not be an act of political wisdom at present for Premier Castro to make an open break with the Communists. While they are still in the minority, they are powerful as a highly organized and disciplined group.

EXHIBIT 2

[From the New York Times, May 31, 1959]

CONGRESS NOW GROWS MORE RESTIVE OVER FOREIGN AID

(By E. W. Kenworthy)

WASHINGTON, May 30.—The President's $3,900 million foreign aid bill came through its first committee stage this week. The House Foreign Affairs Committee authorized appropriations of $3,600 million—a cut of roughly 8 percent. This is about par for this round. The heavy cutting is usually performed by the House Appropriations Committee on the appropriations bill—the bill that provides the actual cash within the limits set by the authorization bill.

What was significant in the Foreign Affairs Committee's action was that it cut $160 million from the President's request for military aid, and $107 million from defense support and special assistance. The administration had argued fervently that depletion of the money in the pipeline made the full amount for military aid absolutely necessary, and that the requests for defense support and special assistance were austere. At the same time the committee added $100 million to the $700 million the President asked for the Development Loan Fund.

In short, the committee cut grant aid while increasing loan aid, and this was interpreted here as further evidence of the growing revolt against the program among its stanchest supporters on Capitol Hill.

THREE OBJECTIONS

The mounting dissatisfaction with the present program centers on three things: (1) the large amount of grant economic aid, (2) the level of military aid as compared with economic aid to underdeveloped nations, (3) the secrecy on the amount of military and defense support aid for any given country. To take up these grievances in order:

Grant economic aid: The administration rightly maintains that since the Development Loan Fund got under way last year, loans are playing an increasingly larger part in economic aid. The fact remains, however, that in the administration's request this year roughly 70 percent of economic aid would still be in grant form.

The most controversial area involves defense support and special assistance. The former is economic aid given to 12 countries with which the United States is militarily allied. The latter includes the same kind of aid to a number of countries—among them Morocco, Tunisia, Libya, Jordan, and Bolivia—with which the United States has no military pacts.

The State Department has always explained these two categories as aid which enabled the recipients to maintain defense forces larger than they could otherwise support. This is true, but not the whole truth. The terminology and the explanation have given this form of grant aid a military gloss which has made it easier for many Congressmen to explain favorable votes to their constituents.

CUTS SUGGESTED

Recently, however, when legislators suggested that some underdeveloped countries were maintaining top-heavy defense establishments, and that if their forces were reduced defense support and special assistance could also be cut, the State Department cried havoc.

Two weeks ago Leonard J. Saccio, Acting Director of the International Cooperation Administration, told the Foreign Relations Committee that the economic needs financed by defense support and special assistance would have to be met whether or not military programs were cut back.

In bald terms what this means is that the administration believes the unviable economies of many of these countries will have to be subsidized for years to come. If this is the case, then many legislators believe it is time to say so, and change the name of defense support and special assistance to "economic grant aid."

In a Senate speech 2 weeks ago, Deputy Majority Leader MIKE MANSFIELD proposed that defense support be put on a loan basis at the end of 3 years. One of the reasons advanced against this by Mr. Saccio was that such a scheme would be a deception upon the American people. There would, he said, "be no remotely defensible justification for expecting meaningful repayment." By this he meant that the loans would have to be repaid in local currency.

But Senator MANSFIELD asked whether such repayment for defense support would be less meaningful than the same kind of repayment of loans from the Development Loan Fund, or for sales of surplus agricultural products.

Economic versus military aid: Last August eight Senators on the Foreign Relations Committee wrote the President that they were convinced of "a serious distortion" in the relative importance the administration attached to military as against economic aid in some less-developed countries. Believing that the Communist threat in these areas was primarily not military but economic, they asked for a reappraisal of the program.

DRAPER COMMITTEE

In November—partly but not wholly in response to this letter—the President named a nine-member Committee, headed by former Under Secretary of the Army, William H. Draper, to study the military assistance program. At the urging of some State Department officials who knew that the Senators meant business, the President included in his instructions a request that the Committee consider the relative emphasis which should be given to military and economic programs, and particularly in the less-developed areas.

In a preliminary report in March the Committee proposed a $400 million increase in the President's $1,600 million request for military aid, in order to provide modern weapons for NATO allies. It suggested more selectivity in allocating military aid to less-developed countries, but recommended no cuts. It found defense support at an austere level which it would be dangerous to reduce. It postponed until a later report the question of relative emphasis on military and economic aid.

The Committee will issue a second interim report in a few days. Again it will defer an answer to the Senators' request.

Meanwhile Under Secretary of State Douglas Dillon told the Foreign Relations Committee 3 weeks ago that "if still greater emphasis is to be given to the economic development program, it can only be through larger appropriations," and not through any shift in military aid funds.

The irony here is that J. W. FULBRIGHT, chairman of the Foreign Relations Committee, has introduced a bill to do just this. He has proposed that the Development Loan Fund be given Treasury borrowing authority to make loans at the rate of $1,500 million a year for 5 years. The administration has asked only $700 million for next year.

Mr. Dillon, in speeches and congressional testimony, has in the past advocated multiyear authorization for the fund to loan $1 billion a year. But he yielded to the economy pressure of the Treasury and the Budget Bureau in asking only $700 million. The administration also feared stirring up the Appropriations Committee on the issue of the Treasury's borrowing authority.

In a fish-or-cut-bait session with the Foreign Relations Committee this week, Mr. Dillon said he "strongly supports" the Fulbright bill "in principle," but did not "feel it appropriate" this year. However, he said the State Department will urge the administration to consider it next year.

Mr. FULBRIGHT found this answer equivocal, and wrote to the President, warning that unless he put his weight behind the Fulbright bill, he must expect continued cuts in his requests for the Development Loan Fund, with the inefficiency in planning and operations which results from lack of assurance on available funds. The administration is now meditating its answer.

Secrecy: The State Department argues that publication of country figures on military and defense support aid will subject it to competitive pressures. Senator MANSFIELD argues, first, that the information invariably leaks anyway, and second, that the State Department must learn to say "no" to demands for equalizing increases.

BEHIND SECRECY

There is good reason to believe that the security stamp is often used to hide dubious gimmicks from public view. For example, over 20 percent of the $96,500,000 requested for military aid in Latin America is earmarked to pay Brazil in weapons for an island on which the United States has a missile tracking station. Some legislators find this a dubious use of military aid.

The administration, it is agreed, will probably get 80 percent of its total aid request, as it has in recent years. But the view here is that the administration is deceiving itself if it believes this normal prospect actually reflects the true congressional temper toward the aid program.

There is a growing feeling on the Hill that the administration has been treating casually, almost cavalierly, the suggestions made by the program's friends. "One of these days," a Senator said this week, "the administration will wake up and find that the baby has been tossed out with the bath."

TRUTH TELLING IN HIGH OFFICE

Mr. McGEE. Mr. President, I should like to have included in the RECORD today the comments of a minister in this city, in a sermon which he delivered yesterday. The title of the sermon is "Truth Telling in High Office." It was delivered by Rev. Duncan Howlett, D.D., pastor of All Souls Unitarian Church in Washington, D.C.

The burden of this very intriguing sermon is that modern man has made great progress in technology, but has lagged in his sense of moral values, particularly as regards truth-telling in high office. I quote only his lead paragraph, to capture the tone of his comments. He says:

Modern man is alternately astounded by what he has accomplished and appalled at what he has yet to do. We have been in the habit of stating this contrast with the familiar groan that our technological progress has outrun our moral progress. It has, of course, as we know all too well. But there are other discrepancies in our rate of progress besides the moral and technological. One of them is the ability of language to convey a vast yet exact complex of information, as contrasted with the astonishing ambiguity of language which often results in conveying erroneous information and, in many cases, none at all.

Further on the sermon goes into the difficulty of applying meaning to words, and of evading senatorial questions with totally evasive and sometimes contradictory language.

I ask unanimous consent that Dr. Howlett's sermon, entitled "Truth Telling in High Office," be printed in the RECORD at this point as a part of my remarks.

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

TRUTH TELLING IN HIGH OFFICE

(A sermon by the Reverend Duncan Howlett, D.D., All Souls Church (Unitarian), Washington, D.C., May 31, 1959)

Modern man is alternately astounded by what he has accomplished and appalled at what he has yet to do. We have been in the habit of stating this contrast with the familiar groan that our technological progress has outrun our moral progress. It has, of course, as we know all too well. But there are other discrepancies in our rate of progress besides the moral and technological. One of them is the ability of language to convey a vast yet exact complex of information, as contrasted with the astonishing ambiguity of language which often results in conveying erroneous information and, in many cases, none at all.

Few of us appear to be aware of the problem. We hear about semantics. Occasionally we discover that a hot argument involved nothing more than the meaning of words. But for the most part, we are content to blunder along, assuming that through the use of words we are able accurately to transmit our thoughts to one another.

Science, in order to overcome the ambiguity of words, has been forced to develop a language of its own. Mathematics, one of the most exact of the sciences, has developed a complete set of private symbols.

The same is true, if to a slightly less degree, of the other sciences. Astronomers, biologists, chemists and psychologists, all have their special terms and signs. This technical language has not developed out of childish desire for a secret code, nor is it, as some have charged, a mechanics of self-importance. It is the result of the need for clarity and exactitude in communication, the need to eliminate ambiguity.

It is curious that moral progress should be so meager in contrast to technological progress. I suspect the reason is that we want it that way. We prefer the more primitive moral system that descends to us from a remote past, because it offers us more freedom to indulge our tastes than might a tighter system. In all probability, the ambiguity of language persists for the same reason. We like it that way. There is great value in thought and expression that is not too exact and not too precise. Neither literature nor poetry would be possible if we were confined in our expression to the sharply defined and carefully limited symbols of science.

But we have paid a high price for keeping our morals at a relatively low level of development, one that may well turn out to be catastrophic. We have also paid a high price for maintaining ambiguity in our speech. True, it affords us great freedom of expression, but freedom for one is freedom for all. It means freedom for literary and poetic expression; but it also means freedom to employ the ambiguities of language to defeat the purpose for which language itself was invented. It means the freedom to use language not to foster communication, but to inhibit and even to prevent its taking place.

A particularly aggravated instance of this kind of misuse of language is now very much at the forefront of American public life, that of Lewis Strauss in connection with his nomination to the high office of Secretary of Commerce. He has, as you know, been widely criticized. He has also been very lavishly praised. One fact, however, stands out above all others, and the longer the debate drags on, the clearer it becomes. It is this. In the person of Lewis Strauss we have a man who has apparently made a fine art of appearing to communicate while actually doing nothing of the kind. Either Mr. Strauss is willing on occasion to use the English language to obfuscate and confuse rather than to communicate, or he lacks the power to assemble English words into sentences in such a fashion as to convey what is in his mind.

This latter suggestion does not seem very likely. Mr. Strauss' ability has been testified to by many people. Furthermore, he has on many occasions spoken with the utmost clarity so that no one could mistake his meaning. Consequently, his occasional failure to do so, particularly under questioning, is a matter of some moment in a potential member of the President's Cabinet.

Really to grasp what those who wish to communicate with Mr. Strauss are up against—if he is in an uncommunicative mood—you have to go to the record of some of the hearings at which Mr. Strauss has been questioned. One of the better known examples took place on May 14, 1959, before the Interstate and Foreign Commerce Committee of the U.S. Senate—the famous remarks about the molded record.

The facts in the case are simple, once you have waded through two or three lengthy transcrips of testimony to see what they are. Let me summarize them in a few words. Some time back, when Mr. Strauss was Chairman of the Atomic Energy Commission, he wrote a letter. What it was about is, for our purposes, unimportant. What is important is that it was subsequently shown to have been duplicitous in character. Thus it became a document behind which it was no longer expedient for Mr. Straus or anyone else to stand.

In the course of the hearings before the Interstate and Foreign Commerce Committee held 2 weeks ago, for the purpose of reporting on Mr. Strauss' nomination, the letter came up for discussion. This was on the final day of the hearings (May 14, 1959). According to Senator MCGEE, a member of the committee: "On that day * * * the committee was concerning itself with the admiral's role in the well-known duplicitous letter incident which first came up during the hearing in the House of Representatives in June 1956. In our committee, responding to questions from the Senator from California, Mr. ENGLE, Strauss again denied responsibility for the controversial letter, as he had during the original House hearings. The chairman, Mr. MAGNUSON, then confronted Strauss with the official printed public record of the House hearings. According to the House transcript, Strauss had said in 1956, in regard to the duplicitous letter (see p. 318, hearings before subcommittee of Committee on Appropriations, House of Representatives, 84th Cong., 2d sess., 2d supplemental bill, 1957):

"'You bet I stand by it. I would like to take full responsibility for having asked the General Counsel of the Commission to prepare the letter.'

"But his reply to Chairman MAGNUSON in the hearings this month on May 14, 1959, was:

"'This is not what I said. I did not ask to have a letter prepared. I did not know what the letter contained. I did assume responsibility for it.'

"Then there followed this colloquy:

"'The CHAIRMAN. Are you saying this record is not correct?

"'Mr. STRAUSS. I say that I did not say what I am here quoted as saying.

"'The CHAIRMAN. The portion I read to you is not correct?

"'Mr. STRAUSS. No, I don't deny that what you read is correct as printed but not correct as attributed.

"'The CHAIRMAN. In other words, you say you did not say what it says you said here.'"

CLARENCE CANNON, chairman of the House Committee on Appropriations, could not let that pass. So he went back to the original stenotype record, had it retranscribed, and it checked out word for word. And if you would really like to read some doubletalk, you should turn to the CONGRESSIONAL RECORD for last Tuesday, May 26, wherein is printed the transcript of questions addressed by Senator MCGEE, of Wyoming, to Mr. Strauss. Senator MCGEE sought in vain to pin Mr. Strauss down on his impugning of the record of the U.S. Congress. If you think he got an answer, you don't know Mr. Strauss' power not to communicate when he does not wish to. The attempt of Senator MCGEE to get Mr. Strauss to admit or to deny what he is recorded as saying, consume three columns in the CONGRESSIONAL RECORD.

You have to read the record all the way to the end to see how extraordinarily successful Mr. Strauss was in using the art of communication to bring communication itself to a standstill in the course of that hearing. After Senator MCGEE had pressed his questions for some time, other members of the committee broke in and accused MCGEE of "badgering" and "harassing" Mr. Strauss. The committee itself then fell to arguing over whether the admiral had answered MCGEE's questions. The chairman, Senator MAGNUSON, remarked in conclusion: "I do not think [the admiral] quite cleared up the question that the Senator from Wyoming asked, but nevertheless, the record will speak for itself."

It does, all right. It speaks eloquently of a man who has reversed his position and is sufficiently skilled in the use of words so that he cannot be made to say that he has done so; a man who clearly implies that the official record of a congressional hearing has been altered, but cannot be made to admit he has said so or to deny it, either. It reveals a man of enormous native talent for cutting off communication with his fellowmen, while striking the pose of earnestly trying to understand and reply to the questions he is asked.

How well he succeeded in his effort at obfuscation is seen in the charge that Senator MCGEE was badgering and harassing Strauss. We desperately need language so exact that no one could willfully confuse the badgering of a witness with an earnest attempt to pin a man down to the implication of his own words. It does not matter whether MCGEE's accusers were misled or whether they were not. The accusation seemed plausible, or it would never have been made.

We are not dealing with the old-fashioned lie any longer. Such things are too easily identified and guilt in this area is too easily fixed. The art of deception has advanced beyond that point and we, the citizens of this Nation, who are the guardians of our democracy, must not be permitted to blind ourselves to what has taken place. Where there is no communication, there is no democracy, for democracy depends upon the ability of the people to express themselves and the readiness of their leaders to do as the electorate wishes them to do. A leader who cuts off communication thereby ceases to be a representative of the people. He becomes an autocrat, acting alone, as he thinks fit, no longer answerable to the people because he

has developed a device by which he can effectively cut himself off from them.

It has sometimes been said, "Why all the fuss? After all, this is only a Department of Commerce appointment. It isn't as if he were to be Secretary of State." From my point of view, such a comment is irrelevant. If a man is unwilling or unable to be candid with his associates in government, I should think he was unfit for any post at all. But taking this observation at face value, let us see what would fall under Mr. Strauss' supervision as Commerce Secretary.

Consider for a moment how sensitive a post is that of any Cabinet member. Sidney Hyman in his recent study of the Presidency writes: "[Cabinet members] can be hostile to the President's program * * * they can be contemptuous of the President as a human being * * * they can use their place to enrich themselves through shady deals" and they may "feel they have no need to keep the President informed about what they are doing. If the President wants to get rid of a Cabinet member, he cannot do so without arousing a storm in the national group that has an * * * interest in keeping a particular Secretary next to the President." These words were written long before Mr. Strauss was proposed for any Cabinet post whatever.

Under his Department there fall the following Government functions: U.S. Patent Office, National Bureau of Standards, Coast and Geodetic Survey, Defense Air Transportation Administration, Inland Waterways Corporation, Maritime Administration, Federal Maritime Board, Bureau of Public Roads, Weather Bureau, Bureau of Foreign Commerce, Advisory Committee on Export Policy, Office of International Trade Fairs, Office of Business Economics, Business and Defense Services Administration, Bureau of the Census, Office of Area Development, and the National Inventors Council.

Opponents of the Strauss nomination have been casting about for a precedent on the basis of which to oppose him. It is very unusual for the Congress to oppose such a nomination. It has been suggested that this is like the nomination of Charles Warren as Attorney General in the Coolidge administration, because he was thought to be too closely identified with the efforts of big business to dominate American economy. But such a suggestion misses the point of the criticism of Strauss. He is no more identified with so-called big business than many another member of the present administration, perhaps not as much so.

It may well be that there is no precedent for this case. It may be that we are called upon to set one.

Talk for the purpose of cutting off rather than establishing communication is one of the great scandals of the modern world. It is to be found at every level of American society and it characterizes international negotiations to an unparalleled degree. Strauss is not its creator; he is its victim, and he is probably more astonished than anyone that he should be called to account for engaging in a practice that is so widespread. In denying a Cabinet post to Strauss, we do not make him our scapegoat. Rather, in an outburst of national conscience, we seek to stem a rising tide that could mean national disaster. Thus far shall this practice go and no further. That of which so many of us are guilty shall not be permitted to enter the Cabinet of the President of the United States.

Honesty in high office. Truth telling in high office. No one needs to defend this principle any longer. But there is a new principle we now need to state. It is this. Truth telling means communication. It means that, to the best of your ability, you present to others what you know. Specifically, it means that if you write a letter, or a subordinate writes it for you, and if, when asked about it, you say that you stand behind the letter; and after that you wish you had not written it, you say so. It means that you do not deny what you have previously said. More than that, you do not seek to impugn a public record where the words you now wish to take back are recorded. Above all, truth telling means that when questioned about a succession of events such as I have just described, you do not lead your questioner, a U.S. Senator of high repute, through 30 minutes of linguistic distinctions and verbal gymnastics—the end purpose of which is not truth but obfuscation.

We shall have nothing to say to the nations of the world if we succumb to the tactics of our opponents in the cold war, allow doubletalk to become an instrument of national or international policy. Let the precedent against it be set here and now.

I say we have learned how to deal with the barefaced lie, and our civilization is the stronger for it. Now with more sophistication we must also learn to deal with the falsehood that disguises itself in confusion: the lie which, rather than posing as the truth, vanishes together with the truth in a multitude of meaningless words.

When Thomas Jefferson drafted the Declaration of Independence, he wrote as the concluding sentence these words: "And for the support of this declaration, with a firm reliance upon the protection of divine providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor."

"Our sacred honor." These are the final three words of one of the most famous statements of high principle the world has ever known—a statement of principle that has become the essence of our national life at its best. We ought not so soon to forget it. We ought not ever to forget that equated with life itself, and with all our material possessions, is honor—sacred honor, our sacred honor.

Only those men who hold and who live by this standard; only those who know what honor is, who believe in it and practice it, insofar as men may do so, can possibly serve a democratic people. This the Founding Fathers took for granted. It is one of the cornerstones upon which our present greatness rests. Apart from it, our way of life cannot continue. Honor was written into the structure of all society, before society itself was born. It was fundamental in democracy before self-government or any other kind had appeared. Any nation that would traverse it brings itself to judgment before the bar of history.

The God of righteousness and honor whom all men gladly worship is also Lord of history. The God of the nations is also the God of personal integrity. The God of truth is the God of right. And from his judgments, written into the nature of things, no nation, no people, may escape for very long.

PRAYER

God, grant us a clear mind, that we may know the right, and an upright spirit that we may do the right when we have seen it. Amen.

NATIONAL FOREST DEVELOPMENT—A PRIME CONSERVATION OPPORTUNITY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may speak in excess of the 3-minute limitation.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia may proceed.

Mr. BYRD of West Virginia. Mr. President, in the United States there are about 175 million of us. We have come up fast in many ways. More than that, unless the experts, the demographers, the projectors, are very wrong, there are going to be a lot more of our fellow citizens. By the year A.D. 2000, which some of us may reasonably hope to see, or shortly thereafter, the experts say we will have doubled our numbers—there will be something like 350 million of us, our children, our grandchildren, and our great-grandchildren yet to be. That is a lot of people to feed, to house, and to clothe. If the signs of the times are right, they will want and expect much more than the bare necessities—they will want and try to obtain and maintain a high standard of living, probably significantly higher than our own present affluent level.

That will require resources, human resources of many sorts, to be sure; but more especially, natural resources, multitudinous and multifarious in kinds and amounts. Even now, the limited calls upon our resources reveal in some areas inadequacies and emerging trends of scarcity if not actual depletion. Without being overly pessimistic or alarmistic, one may quote Gifford Pinchot to the effect that a nation deprived of liberty may again win it, a nation divided may reunite, but a nation whose natural resources are destroyed must inevitably pay the penalty of poverty, degradation, and decay. Fortunately, in our own case we have not yet reached the point of no return as to most of our resources. By taking thought, and more important, by prompt activation of essential programs, we can recoup and restore at least part of the natural complex. This we must do, not merely to be returning to some status quo ante, but because our great complex civilization requires and will require the raw materials. Those resources, which are now only partially sufficient for our present needs, will nevertheless be required in substantially greater amounts a quarter and a half century hence, to meet minimum needs of the much larger population. With none of the resources is this more likely to be the case than with those of the forest. With respect to no other resource complex can we do so much restoration and rebuilding if only we will take the needed steps promptly.

Not often do we so fortunately have need and opportunity in close juxtaposition. At few times, in few areas has one so nicely complemented the other. There are, as you must be aware, a lot of our fine people presently unemployed. I do not plan to discuss this matter in any considerable detail today. But it should be noted that there are well over 3 million, something like 3,600,000 workers without work. They are especially concentrated in certain areas of our fine country. We call those areas depressed, or underdeveloped. For one reason or another they have very substantial labor surpluses. There is a program, or perhaps I should say it is mostly a proposed program, to shore up such areas. It is the area development program part of which is referred to as the rural redevelopment program. As you might guess,

predominantly because of the long depression in the bituminous coal industry, West Virginia has more than its share of such problems. As of March 1959 my State had 301,264 needy persons in family units in the donated surplus foods program. There is real need, there are millions of able bodied, ready and willing to do real work. Meanwhile there are great forests and lands under public ownership, primarily in the West, in need of protection and development—protection especially from fire and disease; development to make possible more timely timber harvest of mature timber and to provide restocking. Provision must be made for vastly expanding recreation use. In the East and South there is a truly major conservation opportunity—to reestablish productive forests on understocked and cutover lands otherwise serving no good purpose. Here, too, multiple purpose development is called for.

This close co-occurrence in space and time of two critical problems may prove to be great good fortune. It should mean that an adequately productive solution can be achieved with uncommon ease. Here are people who need work and are able to work. Here is work which must be done now, partly to serve our present needs, but even more if our forests are to be able to meet the demands which certainly will be made of them in the next generation. The biological cycle of a forest is a long one; in the woods more than elsewhere the program must be forward looking.

Fortunately, we have had during the 1950's a comprehensive study of our forest and timber resources. The Forest Service of the U.S. Department of Agriculture in a study extending over several years, working with information already available plus new field studies, with State agencies, forest industries, and other public and private organizations, put together and released only 2 or 3 years ago the most comprehensive review that we have ever had of our forest situation, the most complete evaluation of timber supply and demand ever made.

There are a few things, highnotes so to speak, that we might keep in mind in regard to the overall situation. Over two-thirds of the total sawtimber volume is softwood. Sawtimber is divided about equally between public and private ownership. Private farm forestry, as distinguished from forest industries, accounts for about 34 percent of the commercial sawtimber forest area and about 15 percent of the volume. Forest industries on the other hand account for about 39 percent of the area and 37 percent of the volume. In total about 73 percent of the commercial forest area is privately owned; national forests make up about 17 percent, other Federal about 4 percent, and State and local about 6 percent. Partly because of the relatively mature age of the western sawtimber, about one-half of the Nation's annual growth is in the South; thus in the West the present cut is approximately double the present growth. For eastern softwoods, the cut is slightly less than the growth, about 17 billion board feet growth versus 14 billion board feet cut. For the hardwoods in the East the annual growth is about 19 billion board feet and the cut slightly more than 12 billion board feet. It should be noted almost immediately that low quality wood predominates in the hardwood stands, only 10 percent of the eastern hardwoods are high grade, another 16 percent medium grade; whereas 54 percent are low grade, and cull trees make up 20 percent, hence almost three-fourths of the total is of less than medium grade. Of the 53 million acres which in 1952 were indicated as commercial forest land in need of planting, almost 44 million acres were on private lands. Of the 8.2 million acres of public land in need of planting, 4.6 million acres were in national forests, about 1 million acres in other Federal lands; State and local accounted for about 2,600,000 acres. About 7 million acres of that total are indicated as having been planted since 1952, of which 5.2 million has turned out to be acceptable plantations, giving a planting success of about 76 percent. Plantings on the public lands have slightly exceeded the plantings on private; there were about 3½ million acres in each case. Success also has been somewhat slightly higher in the case of the public lands.

Turning to my own State of West Virginia, the total land area is almost 15,500,000 acres, of which about 9,900,000 acres are forest land, and 9,860,000 acres are classed as commercial forest land. About half of the commercial forest area, or 4,862,000 acres, are classed as sawtimber, all of which is young growth rather than old growth; of the remainder, 3,300,000 acres, approximately, are in pole timber stands and 1,462,000 acres in seedling or sapling stands. Nonstocked areas are indicated at only 238,000 acres. Federal ownership of forest lands in the State is 895,000 acres of which 881,000 acres are in national forests. We have 83,000 acres in State forest and small areas in county and municipal forests. Of the 8,878,000 acres of forest land of the State in private holdings, 3,197,000 acres are in farm forests and only 270,000 acres are held by forest industries. The private forest holdings of West Virginia are held by more than 133,000 owners of whom more than 120,000 have less than 100 acres each. At the time of this comprehensive study, it was indicated that about 1⅓ billion board feet of dead sawtimber was to be found in West Virginia. This was probably mostly wormy chestnut, part of which has been taken care of; the remainder is perhaps now beyond the point of being usefully harvested. The commercial forest land stands of West Virginia included almost 17 billion board feet of hardwoods, of which red oak constituted about one-fifth, and white oak about 2,800,000 board feet; yellow birch and sugar maple as well as soft maple and beech were other major items as were hickory and yellow poplar. West Virginia has very small amounts of softwoods, 606 million cubic feet, of which southern yellow pine makes up one-half of the total. Hardwood sawtimber in West Virginia in 1952 constituted about 95 percent of the total.

To summarize this aspect we may repeat that, looking forward 40 years, which is a short time in regard to tree growth, much more timber will be required. Overall timber products requirements by 1975, postulating 215 million population, would be increased by 37 percent as compared to 1952. By the year 2000, projecting the population on the low side only 275 billion, requirements would be up 75 percent; and assuming a more rapid population increase to 360 billion, requirements would be up 129 percent. On that more extreme basis required saw lags for lumber would increase from roughly 41 billion board feet to about 95 billion board feet, and pulpwood from 35 million cords to 81 million cords. Even fuel wood would double and all industrial uses would jump from about 10 million cubic feet to more than 23 billion cubic feet.

All of this raises a vital question of whether our forest resources are being managed in such a fashion as to make even reasonably possible the meeting of these projected requirements—requirements which in large part must be met, if they are to be met at all, from trees and timber stands now in being or those which are planted very soon. Of course, our forests do now serve certain essential needs but, even now, they serve those multiple needs less adequately than we might wish. Without improved management, without increased productivity from much of the forested area, they simply will fall far short of adequacy, as we project future needs and resources. Conservation, wise use, then, dictates that we must begin now to manage better our limited forest resources to meet what appears to be inevitable great expansion in demand for such products, if we are to maintain anything equivalent to our present standards of living.

As I noted above, we do have the monumental "Timber Resources for America's Future." That gives a fair idea of needs and problems which require attention. It does not do a complete job of delimiting in a tight geographical way, exactly what needs to be done where. But the regional personnel of the Forest Service do know their areas in detail and can no doubt provide invaluable guidance when we reach the planning and project stage.

Several steps already taken more or less prepare the way for prompt activation of such a developmental program to restore forest productivity to a higher level. At this stage I should have to rule out the National Outdoors Recreation Commission as being of very much immediate help in that direction. As badly as we require comprehensive guidelines with respect to the vastly increasing recreational uses of our forests, the Commission is just now really getting underway and it would be inexcusable to delay the prompt harnessing of the available unused manpower to do real forest work until the Commission in its own good time deals with that phase.

Incidentally, it is estimated that recreational use of the national forest system alone will soon reach 130 million visits per year and will reach a probable 600 million visits by the year 2000, as

compared with less than 70 million recently.

As you are perhaps aware, the conservation reserve phase of the soil bank has also involved reforestation. That program has been in operation for 3 years. In 1957 a total of 6 million acres was placed under contract; in 1958 an additional 4 million acres, and in 1959 a total of 13 million acres were contracted giving an overall total of 23 million acres. On the first 10 million acres placed in the reserve—during 1957 and 1958—establishment of protective cover has largely been completed; approximately 1 million acres have been planted to trees. While this is considered to be a major contribution to wise land use and conservation of soil and water on these lands, it is only a small fraction of the planting which is needed. On the 13 million acres placed in the reserve in 1959, final figures are not as yet available. However on the basis of a sample, it is estimated that 700,000 acres are to be planted to trees. In any case, the present indications are that the program is to be deemphasized, so we may not expect much more from it on the reforestation front.

More directly oriented toward a major action program is the "Program for the National Forests"[1] transmitted to the U.S. Senate in March 1959 by the Secretary of Agriculture. It does present some long-range objectives geared to the year 2000 A.D., though a shorter term program is directed toward what may be done in the next 10 or 15 years. Though it would apply especially to the national forests in 39 States and Puerto Rico, of which there are 181 million acres in 148 such forests, it is at least suggestive in regard to other forest areas. Incidentally some 87 percent of the national forest lands are in the West, mostly very largely derived from the public domain; those in the East, of course, have for the most part been purchased under the Weeks law of 1911; private holdings much predominate in the East and South. Proposals for the short-term period include the seeding or planting of approximately three-fourths of the 4,400,000 acres of nonstocked and poorly stocked plantable lands within the national forests. In addition, the productive condition of over 11 million of the 30 million acres of stands of less than saw log size would be substantially improved by weeding, thinning, release cutting, reinforcement planting of lightly stocked areas and the plantings of new burns in these stands.

Included in the proposals for the short-term period is the completion of a part of Operation Outdoors, a 5-year program initiated in 1957, to reconstruct and rehabilitate the recreation facilities then consisting of 4,700 campgrounds and picnic sites containing 42,400 family units; included would be the preparation and execution of development plans on 10,000 new campgrounds and picnic sites containing 102,000 family units.

[1] Program for the National Forests, Forest Service, USDA Miscellaneous Publication No. 794, April 1959, 26 pages.

Insect and disease control would be stepped up; the present blister rust control work would be extended to an additional 250,000 acres, and a program to control dwarf mistletoe on several hundred thousand acres would be initiated.

An example of the sort of thing which can be done, if and when sufficient help is available, is the use of antibiotics against blister rust of white pine. A recent Forest Service release indicates that some 300,000 Western white pine trees were saved from certain death in 1958 by the use of a new antibiotic weapon, acti-dione. Treatment cost about 4½ cents per tree and did not harm wildlife or fish. Millions of these trees, which if allowed to mature would be worth as much as $100 each, are killed each year by the blister rust disease. The Forest Service hopes this year to treat one to two million infected trees in northern Idaho. Its too late now, but think of the additional wealth of our Appalachians had there been adequate treatment for chestnut blight.

Fire protection and fire control would be in several ways stepped up, including removal of roadside fuel and the clearing and maintaining of a good many thousands of miles of fire breaks. There are now 24,000 miles of forest highways in the national forest system, almost 150,000 miles of forest development roads, and more than 112,000 miles of trails. Forest highways would be increased to about 70,000 miles and access roads to about 542,000 miles. The trail network would be reduced to about 80,000 miles. In the short term, reconstruction of about 90,000 miles of access roads and 8,000 miles of trails would be required.

In his recent discussion of the proposed program for the national forests, the Secretary of Agriculture called attention to the fact that lands in the national forest system developed or proposed for intensive use would be given protection from fire adequate to meet the fire situation in the worst years and under serious peak loads. This he said would include 125 million acres compared to 23 million acres now receiving such protection. Also an additional 15 million acres would be given a lesser degree of protection adequate to meet the average fire situation. This obviously calls for a great deal of forest work, many man-days of work; the source of such labor is not specified in his statement. Clearing and maintaining 12,000 miles of fire breaks would be one of the necessary steps.

Clearly, this work proposed for the national forests covers only a part of the problem. In some parts of the country the bulk of the problem, the greater part of the work to be done is in the national forests. That is not the case in my State or in many other areas. According to the Timber Resources Review, about one-quarter of the commercial forest land was poorly stocked, some 52 million acres as of the date of the study, or 9 percent of the total, was less than 10 percent stocked. Another 73 million acres, or 17 percent of the total, was 10 to 40 percent stocked, giving a total of 26 percent partly stocked. In general, understocking was and undoubtedly continued to be, more serious in the East.

Most significant for our present discussion, some 52 million acres were essentially idle and nonproductive of trees now needed or soon to be needed. It is estimated that the derelict area has now been decreased to about 48 million acres; this is roughly 10 percent of all commercial forest land in the Nation which needs to be planted soon if it is to become productive in a reasonable time. Roughly as a rule of thumb, it requires 1,000 trees per acre—that is something like 48 billion trees which need to be planted. That is one of the problems—without buildup time tree nurseries are not in position to meet the potential demand for planting stock. Recently, for the first time in any one year, a billion trees were planted, of which 860 million were planted on non-Federal land. Most of the 48 billion mentioned would of necessity be placed on small ownerships, non-Federal, non-State holdings. That, too, is one of the not-quite-solved problems—how to integrate work which needs to be done on the private lands with the broader program.

Senate Joint Resolution 95, and the equivalent House resolution recognize that much of the stepped-up program must be carried out on private lands:

> Whereas, if the forty-eight million acres of land are to produce their part of the timber that will be needed by the Nation in the year 2000 anno Domini, it is necessary that during the next ten years five hundred and sixty thousand acres of Federal land, two hundred and forty thousand acres of State and municipal land, and four million acres of privately owned land be planted in trees annually.

The resolution would declare it to be the policy of Congress to provide a continuing program of reforestation, including that needed on private land. Details of how it would be accomplished, except for the authorization of such additional and supplemental funds as may be needed, are not spelled out.

Fortunately for our present guidance, the Civilian Conservation Corps offers an excellent concept of what can be done and accomplished with surplus labor when it is properly organized and used in the woods. We will not here attempt to deal with many of the details of that fine chapter of the 1930's, but we will recount some aspects which are perhaps of particular significance to the present proposal.

Forest work for the unemployed had been thought of and included in the announced program as early as July 2, 1932, and Franklin D. Roosevelt, in accepting the nomination for the President of the United States on the Democratic ticket, said:

> We know that a very hopeful and immediate means of relief, both for the unemployed and for agriculture, will come from a wider plan of the converting of many millions of acres of marginal and unused land into timberland through reforestation. * * * In so doing, employment can be given to a million men.

It would appear that the Civilian Conservation Corps as then organized dealt with rather a younger group than would likely be the case under the present situation. Typically the enrollee of that movement was 17 years of age. It could

well be that a considerable fraction of the proposed work would again be done by the adolescent group, but there is now an older group unemployed, which certainly would be useful either as part of the overall group or in separate battalions. The present need is perhaps somewhat more localized than was then the case; in other words, in West Virginia and some other places there is a close juxtaposition of unemployed labor and areas to be reforested or forest areas to be made more accessible, but that is not now true of some of the areas of industrial unemployment. There are urban areas, far removed from forests, where many are unemployed. Nevertheless, there might be some arrangement made for transportation.

At the high point of employment, the Conservation Corps, excluding Washington personnel, included more than one-third of a million enrollees, actually 359,700; as many as 1,740 camps were in operation, of which 1,640 were CCC camps, the others being Indian group camps and territorial possession camps.

The work completed during the period April 1933 through December 31, 1941, included field planting or seeding of trees on 2,286,196 acres; forest stand improvement on more than 4 million acres. Truck trails or minor roads accomplished were in excess of 125,000 miles. About 68,000 miles of fire breaks were cut. Tree and plant disease control was applied to nearly 8 million acres and tree insect pest control to more than 13 million acres. Public campground development exceeded 10,000 acres.

The yearly cost of each enrollee approximated $1,000, undoubtedly considerably below what could now be anticipated. The enrollees were paid a basic cash allowance of $30 per month, with assistant leaders receiving $36 per month; and something like 6 percent serving as camp leaders and receiving $45 per month. Real monthly wages of enrollees, including everything, were estimated to have been $66.25. Total expenditures of the program were about $2,728 million for the total period. The mountain-Pacific region ranked first in distribution, accounting for a total of about $690 million. California was the leading State, with more than $143 million. The first camp was established in the George Washington National Forest, near Luray, Va., on April 17, 1933. It was called Camp Roosevelt.

Mr. President, it has been nearly 20 years since any of that work force was available. It is high time that we move promptly to employ many of our able-bodied unemployed in our forests. They as individuals and families will be greatly benefited. Society, in due course over the years, will reap manyfold in multiple benefits the conservation measures we now activate.

DEANE BEMAN, BRITISH AMATEUR GOLF CHAMPION

Mr. BUTLER. Mr. President, I have the great pleasure of announcing to the Senate officially that the new British amateur golf champion, Deane Beman, is a resident of the State of Maryland and one of my constituents. He won the British amateur championship Saturday in Great Britain.

Upon being asked what his ambition was, he said, according to the news releases which I have in my hand, that his ambition was to play with the world's best known golfer, the President of the United States.

I shall take great pleasure in trying to arrange a match with the President and I hope that I may be a golfing partner of my constituent and the world's best known golfer.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of a news item taken from the news ticker in the lobby.

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

BETHESDA, MD.—Deane Beman, back home after winning the British amateur golf championship, set his sights today on two other cherished goals—the National Open title and a chance to play with President Eisenhower.

The 21-year-old University of Maryland student takes a step today toward the first objective. He will be one of 37 golfers playing 36-hole matches on the Congressional Country Club course for a chance to earn one of 12 qualifying spots in the National Open.

Beman will be making the try with only 1 day of "rest" since winning the British title. And that day consisted of flying the Atlantic in a jet airliner and being accorded a hero's welcome at Washington National Airport.

His ambition to play with the world's best known golfer—Eisenhower—was expressed in reply to a reporter's question. Asked if he would like to play a match with the President, Beman said:

"Are you kidding? There is nobody I'd rather play with than the President of the United States."

POLISH CULTURE WEEK

Mr. KEATING. Mr. President, last week was celebrated as Polish Culture Week in New York State. By proclamation of Gov. Nelson A. Rockefeller, tribute was paid to the varied and rich contributions of Poland to the enlightenment, education, and entertainment of the world.

We in America are proud of the many sons and daughters of noble Poland who have settled in our midst and who have done so much to make our Nation great. We are pleased that through patriotic, fraternal, and civic organizations they have maintained and preserved the fine traditions and heritage of their native land, while at the same time remaining loyal to America.

Poland's genius through the years has been dedicated to freedom and progress and culture. It is therefore doubly important for all of us on this occasion to rededicate ourselves to work and pray for the day when Poland will be free of the yoke of their Communist overlords. By every means possible, we must assure the Polish people that they are not forgotten and that we are striving for the day when they will once more bask in the sunlight of freedom. God grant that day will not be long delayed.

In his message of proclamation Governor Rockefeller voiced eloquently the sentiments of many of us during Polish Culture Week. I ask unanimous consent to have the proclamation printed in the RECORD, following my remarks.

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

It gives me great pleasure to pay official tribute to the contributions of Poland and her people to the cultural development of western civilization, which are many and magnificent.

Since the dawn of her recorded history, 1,000 years ago, Poland has always held fast to the ideals of western civilization based on the Graeco-Roman and Christian tradition. For centuries she defended Europe against the forces of Tartars, Mongols, Turks, and Muscovites. Her mission as a bulwark of Christianity enabled Europe to develop freely.

Apart from giving the world such champions of Christendom as King Wladyslaw of Warna and King John Sobieski, Poland steadily carried aloft the torch of education and progress. Her oldest university—Jagiellon in Krakow—is 600 years old. The great Nicolaus Copernicus was one of its most illustrious pupils.

The annals of learning and arts are adorned with Polish names: Reymont, Kasprowicz, Przybyszewski, Kochanowski, Mickiewicz, Sienkiewicz, and Conrad, in literature; Chopin, Szymanowski, Paderewski, and Rubinstein, in music; Matejko, Siemieradzki, and Styka, in painting; Sklodowska-Curie, Wroblewski, Olszewski, Smoluchowski, Natanson, Raciborski, Godlewski, and Cybulski, in the sciences, are but a few examples of Poland's contribution to the culture of the world.

Poland has maintained and developed her culture in the face of tremendous odds. Her people continue to do so today, in defiance of the alien ideology now imposed upon them.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim May 24–30, 1959, as Polish Culture Week in New York State, and I urge the people of New York to pay tribute to the undaunted spirit of the people of Poland and the glorious traditions of their culture.

Given under my hand in the city of New York and the privy seal of the State at the capitol in the city of Albany this 22d day of May 1959.

NELSON A. ROCKEFELLER.

By the Governor.

HARRY J. O'DONNELL,
Assistant Secretary to the Governor.

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

The PRESIDING OFFICER (Mr. McGEE in the chair). Is there further morning business? If not, morning business is concluded.

AGRICULTURAL APPROPRIATIONS FOR FISCAL YEAR 1960

Mr. MANSFIELD. Mr. President, I ask that Calendar No. 317, House bill 7175, which is the agricultural appropriation bill, be laid before the Senate.

There being no objection, the Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

PROPOSED AMENDMENTS TO MUTUAL SECURITY ACT

Mr. MANSFIELD. Mr. President, on May 15, I advised the Senate that I intended to propose several amendments to the Mutual Security Act, S. 1451. A few days later the Acting Director of the International Cooperation Administration appeared before the Committee on Foreign Relations to argue for the foreign-aid program. His testimony had much to do with why the Senate should vote against the amendments which I had intended to propose.

I regret, Mr. President, that the Acting Director of ICA, for whom I have a very high regard, saw fit to react in this fashion. He had not seen the amendments for the simple reason that they had not been introduced. Nevertheless, he assailed them. His statement was not so much an expression on S. 1451 as it was an impassioned insistence that nothing must change in the way the executive branch proposes to dispense almost $4 billion in public funds under this legislation. Any change, he implied, would be a futile attempt to "legislate away the problems of this mid-20th century." Had I the desire to engage in that sort of polemics, I suppose I might say this in return: If you cannot legislate away the problems of this mid-20th century, much less can you spend them away with never-ending grants of foreign aid.

But, Mr. President, I am not interested in winning debates. What I am interested in is the recasting of the foreign aid program in a fashion which will gain for it a greater measure of acceptance among the people of this Nation and among recipient peoples abroad, a recasting which will make it more useful and effective.

Some may ask, Why not leave the aid program alone? That question has been asked many times. Why not follow the usual procedure of inflicting a sizable cut in the administration's request for foreign aid and let it go at that? I cannot accept that course any longer, Mr. President. I cannot accept it because it does not come to grips with the basic problems of this program. I cannot accept it because, at best, it merely puts off until tomorrow the day of reckoning. I cannot accept it because, in the end, that course threatens to destroy what is essential to the Nation, what is desirable in this program along with much that is nonessential and undesirable.

I believe I have a deep awareness of the importance of foreign aid to the welfare and safety of the United States. Certainly I have accepted and supported the concept and practice of this program as a part of the Nation's foreign relations since its inception. But I have not in the past, and I do not now accept the foreign aid program in an uncritical sense. No part of this program, as far as I am concerned, is sacrosanct. Some of it is damaging and costly. Much of it can be improved. In my opinion, it must be improved if it is to survive as a useful instrument of the foreign policy of this Nation and of the expansion of human freedom in the world.

Those who are immersed in the administration of foreign aid may indeed have been shocked by my remarks of May 15. It is rarely easy to recognize and accept the necessity for change in matters which affect us most closely. However, I can assure them and the Senate that the remarks which I made on May 15 were not intended to be shocking, except in a constructive sense. The remarks which I make today are, I trust, cast in the same mold.

PROPOSED CHANGES

These remarks, Mr. President, are preliminary to the offering of five amendments to S. 1451. If these amendments are adopted by the Congress and administered with a cooperative spirit by the executive branch, they should produce these visible effects in the foreign aid program.

First. Information on the total cost of the aid program in any recipient country, now in large measure classified, will be public information.

Second. Those who administer foreign policy and the aid program will plan for the progressive reduction and eventual elimination of massive and continuing grants. I emphasize that I am talking only about grants under the categories of defense support and special assistance. I am not talking about loans or point 4. These massive grants of defense support and special assistance will not be terminated in a single stroke, with all the dangers of chaos which might ensue. Rather, they will be reduced, gradually, progressively between now and 1963.

Third. The ICA—the present aid-administering agency—will be dissolved as a distinct official personality of this Government. Its necessary functions and personnel will become fully integrated parts of the Departments of State and Defense.

Fourth. The control of the Secretary of State, under the President, will be strengthened over all forms of foreign aid, including military assistance.

Fifth. The budgeting of military assistance will henceforth be juxtaposed with the budgeting for the domestic Defense Establishment to make certain that each dollar spent for such aid is better spent abroad than at home.

ENDING SECRECY ON MILITARY AID FIGURES

Mr. President, I do not want the Senate to have any misunderstanding about the significance of these changes. They are not intended to be minor. They are not intended to alter form but leave the substance of the program unchanged. They are designed to work profound changes in the concept and operation of foreign aid.

Take, for example, the amendment which is designed to end the secrecy as to aid figures for each recipient nation. It will require the executive branch to state frankly and directly how much money it is spending in each recipient country and to face up itself to the realities and the implications of these costs.

I would not propose this amendment if I thought that there was some compelling reason of national security which required the classification of the figures for military aid grants. Is there really such a reason? Let us ask ourselves this: Do we attempt to conceal the amount which we ourselves spend annually on our own Defense Establishment, a far more significant figure, it seems to me, in terms of security than a military aid figure? Of course we do not classify this figure. We would not tolerate for a moment any attempt to conceal that figure from the people of the United States who must pay to maintain the establishment.

Moreover, as I pointed out in my remarks on May 15, the military aid figures for individual countries—now officially classified secret—can frequently be obtained from public sources both here and abroad if one has the time and patience to search them out. In the light of these observations, is "preposterous" too strong a term to use to describe the security classification of "secret" on the amount of military aid which goes to any recipient country?

The principal effect of the present classification practice, as I see it, is to deny to the people of the United States essential information on the use of public funds, information needed for the development of rational judgments on specific aid programs.

I do not question the necessity for continuing military aid in some countries. I most certainly question it in others; and, in still others, I question its present level.

In general terms, it is not difficult to justify the concept of military aid as an instrument of international relations and, this, the executive branch has done. But, Mr. President, it is time to go from the general to the specific. We must begin to ask ourselves not, is military aid a good idea. We must begin to ask ourselves, Is military aid essential in X country or Y country? Is the level of it too high in Z country?

The first step in asking and answering these questions in a rational fashion is to get into public view a full picture of what countries now receive this aid and in what amounts. The mere publication of these figures, the mere knowledge that they will be published, should act to discourage the program from seeping—as it now tends to do—into any nation which will have it, at almost any level of expenditure which Congress will tolerate, with less and less specific relationship to the rational needs of national security and foreign policy.

I should be reassured, Mr. President, as to the rationality with which the military aid program has been administered, if I could find evidence that once in a while, the executive branch turns down requests of other governments for the establishment of U.S. military aid missions and military aid programs—just once. A search of readily available sources, however, indicates that in all the years of this program, with one or two possible exceptions, no nation so requesting, has been refused a regular military aid program. There may be others, Mr. President, but I have not been able to discover them. In the meantime, the aid program has sprawled

into 40 or more nations, large and small, all presumably in the interests of our national security.

TERMINATION OF GRANT AID

I turn now, Mr. President, to another of the changes which may be brought about by the amendments that I am submitting today. The executive branch will be required to submit for each country receiving such aid, a plan for a progressive reduction in massive grants of nonmilitary aid. Will the point 4 program, with its warm and friendly appeal of helping others to learn the modern techniques of helping themselves be affected by this amendment? No, it shall not, unless it is affected in the sense of receiving increased emphasis and importance. Will the lending functions of the Development Loan Fund, the Export-Import Bank, the International Bank and other worthwhile mutually beneficial undertakings of this kind be affected? They shall not, Mr. President, unless, again, the effect is to give them added impetus.

What then will be the impact of the amendment? It will affect the nations which receive the bulk of the heavy grants year in and year out under the aid program. Will they be adversely affected? They need not be. On the contrary, those of them that are anxious for national independence, in an economic as well as a political sense, will be benefited by this amendment. For what it will require, Mr. President, is a rethinking of the aid program, a reshuffling from top to bottom of the aid program in those countries. This rethinking, this reshuffling will be aimed at ending the state of one-sided, endless dependence in which they now find themselves.

If it is properly administered this amendment will act to establish mutually agreed upon, integrated economic goals for each recipient nation. It will set annual targets for increasing productivity, for closing the foreign exchange gaps, for reducing excess military forces where possible, for increasing investments, for carrying out internal tax and other economic reforms. In short, it will set specific goals for evoking the full energies of the people of each land for the economic progress of their nation. It will require the use of grants in a positive fashion to release that outpouring. It will bring about exploration of new ways, such as broad international participation in development, for helping to bring about economic progress. It should do much to place these recipient peoples, 4 years hence, in a position to move forward on their own momentum, with their needs for outside assistance limited to point 4 type aid, loans, and orthodox methods of international financing.

Mr. President, to those who say it is illusory to think in terms of a time schedule for ending grants and for achieving substantial self-sustaining economic progress in recipient countries, I can only reply: Look at the results of the Marshall plan. Look at what that plan did to help to meet the problem of self-sustained progress in Western Europe. Let us ask in retrospect: Would it have worked without specific goals, without a cutoff date?

I must ask, further, of those who say it cannot be done: What is the alternative? What has been done so far to move these countries toward a self-sustaining economic base? How much progress has been made? Are they a quarter of the way there? A half? Three-quarters? How many more years, how many more decades, will it be before subsidies to Pakistan, Bolivia, Cambodia, Vietnam, Formosa, and the other nations come to an end? In the meantime, what is the result of these subsidies? Do they not tend to create bitterness and estrangement between our peoples and the peoples of the recipient nations? On our part because we see no end to the one-sided giving? On theirs, because they see no way out of an endless dependency? On theirs, because a conspicuous alien privileged few inevitably creates suspicion and hostility when stationed indefinitely in the midst of a native unprivileged many?

Mr. President, I recognize that there may be some nations which despite the most dedicated efforts may not be able to stand on their own without grants, beyond the 4 years contemplated by this amendment. Taken on the whole, however, most of the recipients are rich in resources. The real gap between self-support and subsidy grows out of the inability to organize and utilize these resources for the benefit of their peoples. Let the executive branch plan seriously and in an integrated fashion with the recipients to bridge this gap. If they try and cannot bridge the gap in two or three countries then, I, for one, will be happy to reexamine those particular situations. Certainly, the Senate or Congress can have them reexamined independently. Adjustments, if found necessary, can be made. What is important, however, is that there be the desire and the determination to bridge the gap in a reasonable period of time. We do not have the balance of the 20th century, Mr. President, to get these nations on their own feet.

TERMINATING ICA

Mr. President, the other major change in foreign aid which I hope that these amendments will produce is the termination of the ICA as a quasi-independent agency of the executive branch. I am fully aware that in a theoretical sense the aid-agency is already a part of the Department of State. In a theoretical sense, too, the Secretary of State exercises supervision over the aid program. But what is the situation, not in theory, but in practice? Mr. President, if you wish to telephone someone about an aid matter in Laos, do you pick up the telephone directory of the Department of State or do you pick up the telephone directory of the ICA? If a person seeks a job in aid administration does he go to the personnel office of the Department of State or does he go to the personnel office of the ICA? If you ask a person employed in aid administration where he works, what will his answer be? The State Department? Or will it be the ICA?

I need not labor the point, Mr. President. The fact is that regardless of what the organization charts may show, there is a distinct and separate administrative personality, the ICA, which is heavily responsible for operating the aid program and for the making of significant decisions in connection therewith.

That is what I am trying to change. I seek to do so not in any spirit of antipathy to the people who are employed by the ICA. The great bulk of them, both at home and abroad, are able, decent, conscientious, and hard working. They are a great credit to the Nation. That is one of the reasons why I am seeking this change. These employees warrant an assured official status of equality, both at home and abroad which can be obtained only if they are included in established agencies of the Government. They are entitled to a measure of stability and security in employment which can never be theirs so long as the agency with which they are associated totters each year on the brink of extinction as it inevitably will continue to do.

But beyond concern for the personnel of the aid program, Mr. President, there is another consideration which suggests to me the desirability of a termination of the ICA. Involved in aid programs, particularly in massive grants of aid, are not only economic questions. Also involved are questions of internal political developments in recipient countries and questions of international political relations—questions of the most complex and difficult nature. It is essential, therefore, that aid programs be fully integrated into the overall foreign policies of the Nation. I do not believe we are going to get that kind of integration until those who devise these programs and administer them are not merely State Department employees on the organization charts, but are employees of the Department in fact and in spirit as well.

OTHER CHANGES

The remaining two changes which are contemplated in these amendments, Mr. President, refer to the control of military aid policies. One reasserts and emphasizes the authority of the Secretary of State over the military aid program. It cannot be stated too strongly that when this country speaks abroad, it must speak with one voice. When it acts abroad it must act with one mind. This attitude can best be expressed through the Secretary of State acting on behalf of the President. His authority to decide where, when, and how much military aid to extend abroad must be unequivocal, as it is in other matters of foreign relations. I trust that the amendment which I propose to offer will help him to assert that authority.

Finally, Mr. President, I am suggesting in these amendments that the left hand of the administration find out what the right is doing when it budgets money for military aid abroad. I am asking, in effect, that the interested agencies and the Bureau of the Budget look at domestic defense needs at the same time that they examine foreign military aid needs. I am asking that they determine

in a rational integrated fashion whether any given dollar of the latter might better be spent on the former.

Mr. President, that is all I have to add at this time to my remarks of May 15 on foreign aid. I send to the desk, five amendments to S. 1451 and ask that they be referred to the Committee on Foreign Relations, and printed in the RECORD.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The amendments will be received, printed, referred to the Committee on Foreign Relations, and printed in the RECORD, as requested by the Senator from Montana.

The amendments were referred to the Committee on Foreign Relations, as follows:

On page 1, before the period at the end of line 10, insert ", and by adding the following new sentences: "Programs of military assistance subsequent to the fiscal year 1960 program shall be budgeted so as to come into direct competition for financial support with other activities and programs of the Department of Defense."

On page 8 after line 18, insert the following:

"(c) Amend section 523(c)(2) to read as follows: 'determine whether there shall be a military assistance program for a country and determine the value of such program'."

On page 8, after line 18, insert the following:

(c) Amend section 525, which relates to the Foreign Operations Administration, to read as follows:

"SEC. 525. ECONOMIC AND TECHNICAL ASSISTANCE PROGRAMS IN THE DEPARTMENT OF STATE.—(a) The International Cooperation Administration and the office of its Director are abolished. There is established in the Department of State the Office of Deputy Under Secretary of State for Economic Affairs, which shall be filled by appointment by the President, by and with the advice and consent of the Senate.

"(b) All functions vested by law, Executive order or otherwise in the International Cooperation Administration or any of its agencies and its Director, are transferred to the Office of the Deputy Under Secretary of State for Economic Affairs, and the incumbent of such office shall carry out such functions under the direction and control of the Secretary of State.

"(c) The records, property, personnel, positions and unexpended balances of appropriations, allocations and other funds of the International Cooperation Administration are placed in the Office of the Deputy Under Secretary of State for Economic Affairs.

"(d) The Deputy Under Secretary of State for Economic Affairs may delegate or assign any of his functions to his subordinates and authorize any of his subordinates to whom functions are so delegated or assigned successively to redelegate or reassign any of such functions. He or his designees may from time to time, to the extent consistent with law, promulgate such rules and regulations as may be necessary and proper to carry out any of his functions.

"(e) The President shall place appropriate categories of persons employed by the Office of the Deputy Under Secretary of State for Economic Affairs in the Foreign Service of the United States. The President shall also merge functions of the Office of the Deputy Under Secretary of State for Economic Affairs with functions of other offices in the Department of State in cases in which such merging would better serve to carry out the policies of this Act.

"(f) Within 6 months after the enactment of the Mutual Security Act of 1959 the President shall issue a single executive order, consolidating and bringing up to date all outstanding orders pertaining to the administration of this Act and related functions."

On page 9, after line 12, insert: "(g) add the following new section:

"'SEC. 550. INFORMATION POLICY. Information about the dollar value of programs of military assistance, defense support and special assistance shall be made public for the current fiscal year by December 31 of that year. Such assistance shall be terminated and the programs liquidated, according to the terms of the last sentence of section 503, in any country with respect to which this requirement is not fulfilled.'".

On page 7, after line 13, insert the following:

"(a) In section 503, which relates to termination of assistance, designate the existing language as subsection '(a)' and add the following new subsection:

"'(b) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this act a detailed plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated within 3 years.'".

Mr. GRUENING. I commend very highly and without reservation the very thoughtful and comprehensive presentation which the Senator from Montana has made. His profound study for many years of the foreign aid program has logically brought to the Senator from Montana as great an awareness, perhaps, as that of any other Member of Congress of its intricacies, its importance, and its various implications.

I intend to study the speech fully and perhaps comment on it further at a future date, because I consider it of national importance and deserving of the closest attention by every Member of Congress.

I merely wish to raise one question, not necessarily for immediate answer, but for the consideration of the distinguished Senator from Montana. I refer to the problem of enforcing the amendments which he is presenting to the Mutual Security Act if they are adopted and become law. The other day I proposed to the Mutual Security Act an amendment which was wholly procedural, and which, I believe, would help greatly in the fulfillment of the Senator's desires in regard to his own several amendments. In a word, my amendment was to apply to the foreign aid program the same budgetary procedures which we now apply to the domestic programs; in other words, to have representatives of the State Department or other executive agencies engaged in the foreign aid program come before the Congress, submit specific items, and state what they intend to spend in each country, and for what purpose, and have those items go through the same procedure of approval by the appropriate committees—in this case, the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives for authorization—and then to the Appropriations Subcommittees to pass on the appropriations requested, then to the full Appropriations Committees, and finally have those appropriations voted on by the two bodies of Congress. I believe in that way the Senator may be assured that if the amendments are adopted—and I hope they will be—compliance with them will be obtained.

I think there is a possible hiatus between the desire to have Senator MANSFIELD's amendments adopted and their actual fulfillment; and I leave that thought with my colleague, for his consideration.

Mr. MANSFIELD. Mr. President, I appreciate the statement the Senator from Alaska has made. I assure him that his proposal will be given every consideration by the committee. I do not know whether it will be possible to go as far as the Senator from Alaska has indicated; but certainly I think the General Accounting Office should take a continuing look at these operations, as it is its duty to do; and I believe it would not now be reluctant to do that, although it seemed to be reluctant to examine the operations of the program in the Indochina area in the first years of the aid program in Laos, Cambodia, and Vietnam, following the withdrawal of the French and the assumption of independence on the part of those three States themselves.

It seems to me that a good many good amendments will be offered. Although I have offered one, which has to do with removing the label of secrecy, it is my intention to support the amendment offered by the distinguished Senator from Idaho [Mr. CHURCH], who has offered an amendment covering the same field. I believe his amendment is more meritorious than the one I have prepared.

In conclusion, Mr. President, I wish to say that in my opinion there is no Member of the Senate, and probably no Member of the entire Congress, who does not have a sense of uneasiness about this program. Many of our fellow members who have been voting against the program in recent years, will, I believe, if they can be assured of a greater degree of stability and security in regard to its administration, once again come back into the fold and accept the responsibilities which go with voting for a program of this kind.

All of us know that it is hard to explain foreign aid to the folks at home. But we can well comprehend their feelings when, under questioning, they indicate some of the doubts and fears and uneasiness they have. What they would like to see is, not a discontinuance of the aid program, but a tightening up of it and getting it down to bedrock. What they and we want is more businesslike efficiency and something on the order of, let us say, 95 cents of value in return for each dollar appropriated.

Mr. President, I yield the floor.

Mr. YOUNG of Ohio. Mr. President——

The PRESIDING OFFICER (Mr. GRUENING in the chair). The Senator from Ohio.

THE FOREIGN AID PROGRAM

Mr. YOUNG of Ohio. Mr. President, at the outset let me say that I have listened with profound admiration to the address delivered by the distinguished Senator from Montana [Mr. MANSFIELD].

I intend to study that address very thoroughly when it appears tomorrow morning in the CONGRESSIONAL RECORD. It is my hope that all my colleagues will read the fine address which was delivered today by the distinguished Senator from Montana. We have much to learn from it. I am a great admirer of his.

By the way, Mr. President, I can recall that some years ago—in 1949, I believe, at a time when I was serving in the other body, as Congressman at Large from my State of Ohio, and the distinguished Senator from Montana likewise was serving in the other body—he was offered appointment as Assistant Secretary of State. As a Senator from the State of Ohio, let me say that I am very happy, indeed, for the sake of the Nation, as well as for the sake of the State of Montana, that at that time the Senator from Montana, then a Representative in Congress from that State, had the good judgment to remain in his elective position, instead of accepting the high appointive position of Assistant Secretary of State. All of us profit from his presence here.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield?

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from Ohio yield to the Senator from Montana?

Mr. YOUNG of Ohio. I yield.

Mr. MANSFIELD. I wish to thank the Senator from Ohio, with whom I served many years in the House of Representatives, for the kind words he has just uttered.

I had another objective in mind at the time to which the Senator from Ohio has referred. I have achieved that objective. I am quite happy in it, and I have no further ambitions.

Mr. YOUNG of Ohio. Mr. President, we, also, are happy that the Senator from Montana is here.

Mr. President, at this time I wish to add some remarks of my own in regard to the foreign aid program, ofter referred to as the mutual security program. Let me add that in my view the program should be continued.

President Eisenhower's budget request appears to me to be entirely within reason.

We accept—or, at least, I accept—the necessity of continuing this aid program.

It is essential that we do this to maintain our leadership of the free world, and to help underdeveloped nations to help themselves.

Of course, in committee and on the floor of the Senate we should continue to scrutinize, as we have done, all expenditures for economic aid and military assistance.

Military considerations, in the past, have played too great a part in the formulation of our program of aid to nations of the Western Hemisphere and of the Old World.

In the case of some countries, we must decide whether food or guns is more important.

If it is said that in the Near East, or elsewhere, there is a serious threat of Communist infiltration, then our answer is that we can best meet that threat with economic aid and with technical cooperation to help underdeveloped countries produce more and progress further. This aspect of our foreign aid program should find a response in the Senate.

Mr. President, economic development of backward nations should have first call. For example, Haiti and Pakistan—countries of the New and Old World—are being burdened with military efforts so great that their economic development has been retarded.

When we send arms, tanks, and artillery to an underdeveloped country, that certainly does not help the economic condition of that country.

On the other hand, the rulers add to the burdens on the people, to support increased armies and police forces; and the military caste, always eager for more tanks and planes, becomes more thoroughly entrenched.

Some assert that if we do not supply some of these countries with squadrons of jet planes, which they seek partly for prestige, some other country—meaning the Soviet Union—will supply the planes, although the recipient country is staggering under a load of poverty, disease, and ignorance.

Regarding our immediate neighbors to the south, here are some startling figures: Brazil pays 29 percent of its national budget for armaments; Paraguay, 28 percent; Chile, 24 percent; Colombia, 21 percent; Peru, 20 percent; and Honduras, 18 percent.

These countries, except for internal disorder, have not been seriously involved in warfare, nor are they threatened by other nations; yet, year after year, these tremendous expenditures for arms and armaments continue, and, at the same time, these nations ask our Government for economic aid.

It is startling that President Duvalier, when asked to discuss the urgency of Haiti's problems, instead of referring to inflation, disease and hunger, stated his urgent need for Haiti was for more modern fighter planes.

I advocate, as does the distinguished Senator from Alaska [Mr. GRUENING], who is now presiding over the Senate, that we should fully inform the general public as to the amount of military aid given to various countries.

We all know how pleased we are to receive, day after day—and I am not referring to letters and telegrams from pressure groups—personal letters, either handwritten or typed, from our constituents telling us how they feel about public questions and giving us the benefit of their views and advice. They help us materially in our efforts to represent our States and the entire Nation.

I assert the Department of Defense, not the State Department, should have responsibility for military aid we give to foreign nations; and I am sure the people we represent have the same feeling on the subject.

It has seemed to the American people that the end of foreign aid should be in sight. Unfortunately, we have watched the emphasis in the foreign aid program shift from economic aid, in the days of the Marshall plan and the Truman doctrine, to the predominantly military aid of recent years.

Of course, the Marshall plan and the Truman doctrine, as you know Mr. President, were great movements; and by those movements the strategic area of the Mediterannean containing the nations of Greece and Turkey was kept from going behind the Iron Curtain. In fact, Italy was saved from communism by the Marshall plan and by the Truman doctrine.

It was my good fortune to be a Member of the other body when President Truman proposed the Marshall plan and the Truman doctrine. Nowadays the trend seems to be shifting to economic aid and to technical cooperation, and, Mr. President, that is good.

Some foreign aid we have given in the past, running into billions of dollars, we find has not been productive of good will toward us and probably has been of doubtful benefit to the recipient nations. We must, therefore, carefully and sympathetically study the aid program in an effort to accomplish the most for the free nations of the world and for this Nation, at the minimum expense to our taxpayers.

President Eisenhower has asked nearly $4 billion for the next fiscal year. We should keep in mind specific objectives of such a tremendous expenditure. I desire to support his program and to support him in his aims. But we should seek to measure the results sought with the tremendous costs involved.

Mr. President, our foreign economic aid program must set for itself long-range goals. We have had enough of stopgap aid. We have put our thumb in the leak in the dike, only to have two more leaks spring up. So we must reach the masses of people in the underdeveloped nations, rather than merely line the pockets of corrupt public officials and contractors in those countries.

A hungry man does not understand, nor does he want to understand, democracy, regardless of what his leaders tell him.

We must find and train competent personnel to administer the program, persons who will be ambassadors of good will—American ambassadors of good will—persons who understand the real problems, needs, and wants of the underdeveloped nations of the world and their peoples.

Our foreign aid program must reach the little people of the world, as well as their rulers. It must help them to help themselves if it is to be worthwhile to us.

Mr. President, liberty plus groceries are important the world over. They are probably more important in underdeveloped nations than they are in this Nation, and we know how extremely important they are here.

Finally, Mr. President, we must discontinue the practice of appropriating money with no questions asked. The Senator from Alaska [Mr. GRUENING], who is now presiding over this body, is a pioneer in advocating that philosophy in the Senate; and it is to be hoped that his proposal will find support and will be adopted, so that when money is appropriated for economic aid and for mili-

tary aid, or any other kind of aid, the public will have the facts. The Congress is entitled to know, and should insist on knowing, exactly where and how requested appropriations are to be spent. We would not think of appropriating money for domestic purposes without knowledge of the specific purposes involved. Why should we not do so with foreign aid money? Our foreign aid officials and employees should account to the Congress for every dollar they intend to spend, before appropriations are provided. Here at least we can avoid some of the great tragic waste of the past.

Mr. President, it is my desire to support President Eisenhower. It happens that I was in the other body when the Marshall plan was initiated and when the point 4 program was proposed by President Truman.

I mentioned that fact before. I adverted a few minutes ago to the fact that the Marshall plan and the Truman doctrine furnished aid to Greece and Turkey and bolstered them, and served this Nation in maintaining its proper place as leader of the free world. We have saved those nations as we are saving other nations of the free world.

Mr. President, as a Senator I came here with a mandate from the people of Ohio to be prudent in safeguarding expenditures. I will follow that mandate as best I can. I had a mandate to eliminate unnecessary spending, and I propose to follow that mandate. I had a mandate to help maintain this Nation as the foremost leader of the nations of the free world. That is an important mandate which we should follow.

As a Senator from Ohio, representing my State and the entire Nation, I will go along with a program for mutual aid, which President Eisenhower has termed essential to the United States.

May I add that time is running out on foreign aid. All unnecessary expenditures should be eliminated. All that has been bad with respect to the foreign aid program—and considerable has been bad in the past—and all that has been nonessential must be ended without delay.

Mr. GRUENING. Mr. President, I should like to make a comment regarding the very thoughtful speech of my good friend the Senator from Ohio, at the conclusion of his remarks.

I think the Senator's very well balanced comments reflect the widespread concern which I am confident exists in this body, as well as in the other body, concerning the administration of our foreign aid program.

I greatly appreciate the Senator's kind reference to my amendment, which is designed to improve the procedure by which foreign aid money is expended; namely, by applying to such funds the same budgetary procedures we now apply to domestic items.

The Senator's remarks make it very clear that not a few Members of Congress who favor foreign aid as he does or who might favor foreign aid, are deterred from supporting the program because of the manifest waste, the enshrouding secrecy, and the refusal on the part of those who are conducting the program to be specific as to the purposes of the aid, and their determination to give as little specific information as possible about their designs.

It is clear that we are living in a rapidly changing world and that a program which has been undoubtedly useful, which indeed, may have been very useful a few years ago, is no longer necessarily applicable in the form in which the program was originally applied.

I fully share the views of the able Senator from Ohio concerning the great value of the Marshall plan. That plan probably altered the history of the world for the better. That program was conceived in the light of a great and pressing emergency. Certain countries of Europe faced imminent collapse and the danger of Communist invasion or infiltration, and that program certainly corrected the situation. But many years have passed since that time. Many countries which were then in very bad shape economically have had their economies restored, in large part because of U.S. aid.

A question arising in the minds of many of us is whether much of the foreign aid has not gradually partaken of the nature of a vested interest, in which those who administer the program desire to see it perpetuated and want to continue it in the same old patterns, or on more extravagant scales.

I share the Senator's views concerning the danger of continuing military aid, forced upon countries which may need economic assistance more and which cannot support the burdensome military programs we insist on thrusting upon them.

All the variations and the differences of opinion, will, I think, be solved in great part if the Congress will merely reassert its traditional and constitutionally provided procedure of scrutinizing such programs and of insisting that the agencies which are expending the foreign aid money shall come to Congress with specific items, to which they will be obliged to adhere. Such agencies should come before Congress each year and tell exactly what they intend to spend in each country and for what, justifying the program on the basis of what has been spent in the past and how successful or not successful the programs have been, thus permitting the Senate and the House of Representatives to share in the decisions which have been made virtually unilaterally by unseen men in distant bureaus down the street. That will constitute a great improvement in the program.

I hear that those who have had unlimited control will object to having their control restricted, since that is only a human reaction. I would urge those in charge of the foreign aid program to welcome that kind of congressional assistance, and if they do not welcome it, it is my hope Congress will insist on it anyway.

This is a very serious matter. We have up to the present spent in excess of $70 billion of the taxpayer's money on the program. Our national debt is mounting steadily. We are not balancing the budget. In this field we could well, by prudent economy and close observance of elementary budgetary procedures, reduce waste and produce a far more effective program.

I am very happy that the Senator from Ohio is a cosponsor of my amendment, and I greatly appreciate his support thereof. This is a move which should appeal both to those in favor of and those who do not favor foreign aid, because it is designed to bring efficiency, order, and constitutional procedure to a program which has been running riot, and the end of which, unless controlled, will be out of sight with consequences often contrary to the intent alleged for it.

Mr. YOUNG of Ohio. The distinguished Senator from Alaska has made a definite contribution, and his remarks are greatly appreciated.

Mr. GRUENING. I thank the Senator.

Mr. BIBLE. Mr. President, if there is no Senator who desires to address the Senate at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PARTICIPATION BY THE UNITED STATES IN PARLIAMENTARY CONFERENCES WITH CANADA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the agricultural appropriation bill, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 207, House Joint Resolution 254.

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

The LEGISLATIVE CLERK. A joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Foreign Relations with amendments on page 1, line 7, after the word "Congress", to insert "or to meetings held in the United States"; on page 2, line 14, after the word "made", to insert "the House and Senate portions of"; and, in line 17, after the word "delegation", to insert a comma and "respectively."

The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. MANSFIELD. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, after line 7, it is proposed to insert:

Such appointments shall be for the period of each meeting of the Canada-United States Interparliamentary Group except for the four members of the Foreign Affairs Committee and the four members of the Foreign Relations Committee, whose appointments shall be for the duration of each Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. O'MAHONEY. May I inquire on what measure the Senate is now acting?

Mr. MANSFIELD. We are not acting on the agricultural appropriation bill. The Senate is acting on a joint resolution providing for a joint congressional committee, to meet with representatives of the Canadian Parliament at ceremonies in Canada later this month.

Mr. O'MAHONEY. Is the measure on the calendar?

Mr. MANSFIELD. Yes; it is House Joint Resolution 254, Calendar No. 207.

Mr. O'MAHONEY. I assume the Senator will explain the joint resolution.

Mr. MANSFIELD. Yes. The purpose of the joint resolution is to create a joint committee on the part of the House and Senate, as recommended earlier by a senatorial committee. The joint committee is to meet with Canadian Members of Parliament later this month in connection with the St. Lawrence Seaway celebration, at which time various matters and problems common to the interests of both countries will be discussed and considered by the representatives of both parliamentary bodies.

Mr. KUCHEL. I approve of the joint resolution. However, while endeavoring to cement and further the relations of friendship and amity with our good neighbor to the north, I am sure the Congress, the Government, and the people of the United States are equally interested in advancing the same relations of friendship and amity with our good neighbor to the south, the United States of Mexico.

I wonder if the distinguished Senator from Montana could indicate what action the Committee on Foreign Relations proposes to take with respect to the establishment by appropriate legislative resolution of a similar parliamentary conference, or conferences, between the legislative bodies of the Republic of Mexico, and the United States of America.

Mr. MANSFIELD. In reply to the question of the distinguished senior Senator from California, the minority whip, I should like to state that I have discussed this matter not only with the Senator from California but also with the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], and the distinguished senior Senator from New Mexico [Mr. CHAVEZ], who had submitted an amendment to the pending joint resolution, seeking to bring about the very objective to which the Senator from California has referred.

Mr. KUCHEL. And which I wholeheartedly approved, I am glad to tell the Senator.

Mr. MANSFIELD. Yes. After discussing the matter with the senior Senator from New Mexico, he agreed that it would be better if a joint resolution of this kind with respect to Mexico were introduced and considered on its own merits. He was assured that it would be given every consideration by the Committee on Foreign Relations.

Before the Canadian-United States interparliamentary group was instituted, we held discussions with our Canadian neighbors for about a year and a half, so as to make sure of the ground work. I hope the same kind of procedure may be followed in the case of a possible Mexico-United States parliamentary group, of which I highly approve, and which I believe would be of great significance. At a recent meeting in Lima the Mexican delegation took leadership and suggested the possibility of an inter-American parliamentary group. I should think that idea likewise should be given serious consideration.

Mr. KUCHEL. I am very grateful for the remarks of the able acting majority leader and for the reasonableness inherent in them. Certainly we need to advance friendly relations, through parliamentary conference, and otherwise, between us and our neighbors to both the north and the south. I thank my friend for spreading these comments on the RECORD.

Mr. MANSFIELD. Before a vote is taken on the joint resolution, I should like to repeat that I have discussed the subject with the distinguished senior Senator from New Mexico [Mr. CHAVEZ] and he has indicated he would not insist on consideration of his amendment to the pending joint resolution. He has served notice that he will introduce a joint resolution separately, which would serve the same purpose. I wish to assure him that, so far as I am concerned, it will receive every possible consideration in the Committee on Foreign Relations.

Mr. KUCHEL. I am pleased to say I have talked to the able senior Senator from New Mexico [Mr. CHAVEZ], and I will join him in urging approval of such a resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

APPOINTMENT OF CHAIRMAN OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AS EX OFFICIO MEMBER OF SELECT COMMITTEE ON NATIONAL WATER RESOURCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, the agriculture appropriation bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 297, Senate Resolution 121.

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

The LEGISLATIVE CLERK. A resolution (S. Res. 121) appointing the chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY] as an ex officio member of the Select Committee on National Water Resources.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 121) was considered and agreed to, as follows:

Resolved, That the Senator from Montana, Mr. MURRAY, chairman of the Senate Committee on Interior and Insular Affairs, is hereby appointed a member ex officio to the Select Committee on National Water Resources.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. RUSSELL. Mr. President, the Senate now has under consideration H.R. 7175, which is the annual supply bill for the Department of Agriculture. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection?

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I had planned to offer an amendment to one of the committee amendments. I think perhaps it might be preferable if I were to offer that amendment now. It is merely a change in the amount of an appropriation. Inasmuch as the Senator from Georgia has asked for the approval of all committee amendments, perhaps this exception should be noted.

Mr. RUSSELL. The distinguished Senator from Wyoming would in no wise be precluded from offering any amendment he might desire to offer, because I requested that the bill as amended be considered as original text for the purpose of amendment. If the bill as proposed to be amended by the committee is considered original text, it will be open to any amendment which any Senator may desire to offer.

The procedure I have suggested is merely to clarify the bill and to simplify issues which might have been involved before the Senate if the request had not been made. It in nowise prejudices the right of the distinguished Senator from Wyoming. I shall be happy to have the distinguished Senator recognized first

when the bill is under consideration, so that he may offer his amendment.

Mr. O'MAHONEY. My amendment is on page 15, line 25, and is to strike out "$26,306,600" and to insert in lieu thereof "$26,557,515." This is an addition of $250,915 and makes the appropriation harmonious with the request of the Department of Agriculture as contained in the President's budget. I will discuss the amendment at the appropriate time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia [Mr. RUSSELL]? The Chair hears none, and it is so ordered.

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

Under the heading Department of Agriculture—Title I—Regular Activities—Agricultural Research Service—Salaries and Expenses", on page 3, line 7, after the word "stations", to strike out "$63,961,590" and insert "$70,479,390", and in line 15, after the word "exceed", to strike out "$739,000" and insert "$3,815,000".

On page 4, at the beginning of line 1, to strike out "$48,340,600" and insert "$51,-050,600".

On page 4, line 9, after the word "butter", to strike out "$21,135,100" and insert "$21,-324,900".

Under the subhead "Watershed Protection", on page 9, line 13, after the word "expended", to strike out "$25,500,000" and insert "$20,000,000".

Under the subhead "Flood Prevention", on page 10, line 7, after the word 'expended", to strike out "$18,000,000" and insert "$15,000-000".

Under the subhead "Great Plains Conservation Program", on page 11, line 6, after "(16 U.S.C. 590p)", to strike out "$7,500,000" and insert "$10,000,000".

Under the subhead "Agricultural Conservation Program", on page 12, line 23, after the word "in", to strike out "either the 1957 or the 1958 programs" and insert "in the 1959 program", and on page 13, line 1, after the word "committee", to strike out the colon and *"Provided further,* That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year".

Under the subhead "Agricultural Marketing Service—Marketing Research and Service", on page 15, line 14, after the word "estimates", to strike out "$15,044,500" and insert "$15,514,100".

On page 15, line 25, after the word "States", to strike out "$24,862,600" and insert "$26,-306,600".

Under the subhead "Payments to States, Territories, and Possessions", on page 16, line 14, after "(7 U.S.C. 1623(b))", to strike out "$1,160,000" and insert "$1,195,000".

Under the subhead "School Lunch Program", on page 16, line 21, after the word "Act", to strike out the colon and the following additional proviso:

"Provided further, That, for additional payments to States in accordance with the National School Lunch Act for the purchase of food, $43,657,248 shall be transferred to this appropriation from the funds available in the fiscal year 1959 under section 32 of the Act of August 24, 1935", and in lieu thereof, to insert the following additional proviso:

"Provided further, That $43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Under the subhead "Commodity Exchange Authority—Salaries and Expenses", on page 18, line 15, after "(7 U.S.C. 1–17a)", to strike out "$909,500" and insert "$900,000".

Under the subhead "Soil Bank Program—Conservation Reserve", on page 18, line 22, after the word "program", to strike out "$310,000,000" and insert "$340,000,000"; in line 23, after the word "exceed", to strike out "$18,000,000" and insert "$18,900,000"; on page 19, line 6, after the word "of", to strike out "$325,000,000" and insert "$450,-000,000"; at the beginning of line 11, to insert the word "rental"; in line 12, after the word "of", to strike out "$3,000" and insert "$5,000", and in line 16, after the word "participants", to strike out the colon and the following additional provisos:

"Provided further, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85–459 shall not be applicable to contracts hereafter entered into: *Provided further,* That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year."

Under the subhead "Farmers' Home Administration—Salaries and Expenses", on page 24, line 9, after the word "expenses", to strike out "$30,300,000" and insert "$31,-189,500".

Under the subhead "Office of the General Counsel—Salaries and Expenses," on page 24, line 19, after the word "service", to strike out "$3,115,300" and insert "$3,208,750".

Under the heading "Title II—Corporations—Commodity Credit Corporation—Limitation on Administrative Expenses", on page 27, line 14, after the word "exceed", to strike out "$39,600,000" and insert "$42,771,000", and on page 28, line 8, after the word "hereof", to strike out the colon and "Provided further, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000", and in lieu thereof, to insert a colon and *"Provided further,* (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of all agricultural commodities, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, but the amount of price support made available to any person through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

Under the heading "Title IV—General Provisions", on page 32, line 6, after the word "Not", to strike out "less" and insert "more".

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield so that I may suggest the absence of a quorum?

Mr. RUSSELL. If the leadership desires to have a quorum call, I am happy to yield for that purpose.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. 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. RUSSELL. Mr. President, I shall make a brief summation regarding the overall items of the bill. If any Member of the Senate desires to have any detailed information about any one of the hundreds of items covered by the bill, I shall undertake to obtain the information for him.

Mr. President, the bill, as reported to the Senate, provides for total appropriations of $3,975,505,148; $1,271,983,235 of that amount is for the regular activities of the Department. I may say that amount also includes the appropriations for the soil bank program.

The bill, as reported, provides $1,435,-424,413 for restoration of capital impairment of the Commodity Credit Corporation for the fiscal year 1958. The bill, as reported, provides $1,268,097,500 to reimburse the Commodity Credit Corporation for special program costs as estimated, for the fiscal year 1959.

The bill, as reported to the Senate by the Appropriations Committee, calls for appropriations of $837,825,202 less than the appropriations for 1959. The larger part of that decrease is due to the termination of the acreage reserve part of the soil bank program. That item alone is decreased by $446.2 million under 1959. Likewise, there is a decrease in the amount which has been allowed by the committee to restore the capital of the Commodity Credit Corporation. In the bill as reported to the Senate, that item is $393,600,000 less than the corresponding item in last year's bill.

Mr. President, for the regular activities of the Department, the bill provides appropriations of $443,192,000 less than the appropriation for 1959; and the amount of the bill as reported by the committee is, in the case of the regular activities of the Department, $5,859,715 less than the amount of the estimates, and $36,339,650 more than the amount voted by the House of Representatives.

I should like to point out that $30 million of the increase which the Senate committee recommends over the amount voted by the House of Representatives is to discharge the obligations of the Government under contracts entered into for the conservation reserve program. That sum is the best estimate we can obtain as to the necessary amount for the payment of contractual obligations for rental and practice payments.

The largest increase in the bill, as reported, other than in that item, is in the item for the Agricultural Research Service. Our committee has voted to increase the amount of that item to approximately $6,222,500 over the amount allowed in 1959, so as to enable a large number of activities in the field of research to be carried on.

Mr. President, I should like to call one matter to the attention of the Senate. Not only does the bill carry an appropriation to meet the contracts which have been entered into by the Department with various landowners for the conservation reserve program for the calendar year 1959 and prior years, but the bill also authorizes the conservation reserve program for 1960; which will be the last year a conservation reserve program can be in effect, unless the Congress passes a statute extending or reauthorizing a conservation reserve program.

The budget estimate submitted by the Department for the limitation on next year's conservation reserve program was $375 million. The sum allowed by the House of Representatives, in fixing the standards for next year's program, was $325 million. The Senate committee has recommended to the Senate that the program for next year's authorization be increased to the full amount authorized by law, or $450 million.

Last year the Department requested that amount. As my colleagues will recall, an item of $375 million was finally included in the appropriation bill.

Mr. YOUNG of North Dakota. Mr. President, at this point will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. Under the amount voted by the House of Representatives, only approximately 2 million additional acres would be permitted to go into the conservation reserve; is that correct?

Mr. RUSSELL. Under the amount voted by the House of Representatives, the Department estimates that 2,300,000 acres might be accepted into the conservation reserve.

Mr. YOUNG of North Dakota. Yes.

Will the Senator from Georgia agree with me that if there is to be only a small program, we would be better off with none at all, because only a small percentage of the applications could be accepted; and it would hardly be worthwhile to engage in an expensive program and stir up interest all over the Nation, but be able to place only approximately 2 million acres into the program.

Mr. RUSSELL. The Senator from North Dakota is well aware that last year there was a great deal of bitterness over the 1959 program because farmer A was able to get into the program, but farmer B was not.

Mr. YOUNG of North Dakota. Yes.

Mr. RUSSELL. Of course, under the figure recommended by the Senate committee, 8 million additional acres could be accepted into the program in the last year of its operation.

Mr. YOUNG of North Dakota. There have been some mistakes made in the operation of the program, and I believe some of the criticisms of it have been justified.

But I believe the Department, with the aid of the new regulations which are being put into effect, will correct the mistakes of the past; and I believe such mistakes will not again occur.

Mr. RUSSELL. I certainly hope and trust that will be the case.

The Senator from North Dakota is aware that the admonitions contained in the committee's report to the Department point out some of the more manifest mistakes in the program in the past, and demand that corrective action be taken in the administration of the program next year.

Mr. YOUNG of North Dakota. I may say I had not planned to vote for the continuation of this program and only will now because of certain changes that have been made. The State of North Dakota probably had a larger percentage of its land go into the program than did most other States. Both the North Dakota Farmers Union and the Farm Bureau in State convention have asked that the program be abolished, but I do not think that is the sentiment of the great majority of the people, if the program is changed as I understand it will be now.

Mr. RUSSELL. Mr. President, the Senator has correctly stated that it costs practically the same amount to administer the program which is recommended by the Senate committee as it does to administer the smaller program proposed by the House.

There was one other very significant change made by the Senate committee in authorizing next year's program. The House placed a restriction of 5 years in the bill as the period of time when a contract could run. The basic law provided a period of 15 years. But the longest period of which I have any personal knowledge that is now in effect is 10 years. We supported the 10-year limitation. In other words, it was the position of the committee that if we were to have any program at all, it should be as contemplated in the basic law which was passed by the Congress.

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

Mr. RUSSELL. I am glad to yield to the distinguished Senator from Kentucky.

Mr. COOPER. I should first like to say to the chairman of the subcommittee that I am very pleased the committee has made revisions in the provisions of the House bill as they affect the conservation reserve program of the soil bank. The Senator will remember that I spoke to him about this matter and wrote to the committee giving my views. During discussion of the bill I expect to put into the RECORD a statement on the conservation reserve, or at least make some further comments on it.

Last fall I had occasion to make a study of this program. Before the Congress and the Department of Agriculture make any decision to abandon the conservation reserve program, I believe a further study of the possibilities of an extended and expanded program should be made. It is my judgment that this program, originally proposed by the Department of Agriculture, is the best one now available for solving the surplus problem. In addition to benefits of the program to farmers, the program can be beneficial to the Nation standing alone.

Last fall, when making a study of the program, I ascertained that if 60 to 75 million acres could be withdrawn from production, it was believed an expanded conservation reserve could go far toward solving the surplus problem. A few days ago I read an article, written by Dr. J. Carroll Bottum, of Purdue University, who said withdrawal of 50 million acres through the conservation reserve of the soil bank program might go far toward solving the farm problem of surplus production.

I believe the Department of Agriculture itself has been too timid about this program. Its program has taken only about 23 million acres out of production, and if the full amount is authorized for 1960, it will take some 31 million of our 400 million acres of cropland out of production.

I hope the committee, before it makes its recommendations next year, will go into the question further and will make a further study to ascertain whether productive cropland is being withdrawn, and with the idea that whole farms would be taken out of production in many cases. I think the conservation reserve, properly oriented, could be the program we are now looking for.

In my own State—and I found this to be true also of other States—there was not much interest in the conservation reserve program until last year. Now there is great interest in it, and many farmers are now participating. Besides the value of taking cropland out of production, the program has value in itself by providing conservation for future use, and in encouraging the planting of trees on land best suited for timber production.

I know of the Senator's interest in the subject, and of the committee's interest in it. I hope they will make a careful study of it before the time comes next year to make budget recommendations, and that the committee will give the benefit of its views on this question to the Department of Agriculture and to the Bureau of the Budget.

Mr. RUSSELL. I thank the distinguished Senator from Kentucky for his contribution to the record.

Mr. COOPER. Mr. President, I ask unanimous consent to have placed in the body of the RECORD at this point the following items:

First. A statement I made to the Honorable RICHARD B. RUSSELL, chairman of the Senate Subcommittee on Appropriations dealing with the Agricultural and Farm Credit Administration appropriation bill.

Second. A letter I have received from the Kentucky ASC Committee, composed of the Honorable Roy C. Gray, Flemingsburg, Ky., chairman; the Honorable William O. Gilreath, Pine Knot, Ky.; and the Honorable John O. Hill, Hopkinsville, Ky.

Third. Excerpts from three statements commenting on the economics of the conservation reserve.

Fourth. A brief statement of my own on the conservation reserve.

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

MAY 26, 1959.

Hon. RICHARD B. RUSSELL,
Chairman, Subcommittee on Agriculture, Senate Committee on Appropriations, Washington, D.C.

DEAR SENATOR RUSSELL: I understand that the House Appropriations Committee im-

posed conditions in H.R. 7175 which could severely cripple the soil bank program for 1960.

I hope the Senate Committee on Appropriations will act to continue the conservation reserve as an effective farm program in 1960. In my opinion the soil bank as it began to work last year offers more hope as a constructive approach to the farm problem than anything tried in recent years. I believe the conservation reserve ought to be expanded, and that the new direction given the program this year—in putting whole farms to conservation use—could result in substantial gains in preventing surplus production, could permit shifts toward more efficient use of resources, and could do so more economically than other programs while maintaining farm income.

In my own State, the conservation reserve is attracting more farmers each year. Last fall nearly twice as many Kentucky farmers applied for the soil bank as could be accepted with the funds available. I received many appeals from farmers who were greatly disappointed to discover that their applications could not be accepted. I advised these farmers to apply again this year. In addition, the growing popularity of the program may double the number of applicants over last year.

In sharp contrast to approving an expanded program, however, the Department of Agriculture recommended funds under which far fewer new acres could be signed up this year. The action of the House committee, if sustained, would further slash the new acreage to a fraction of that reduced figure. Under the House proposal, I estimate that perhaps 1 Kentucky farmer out of 20 who wishes to sign up in the soil bank could be accepted—a discouragingly bleak prospect.

I cannot agree with the House report that the conservation reserve has been ineffective. For example, of 11 million new acres on whole farms signed up last fall, 3.2 million were allotment acres. Yet these acres were retired from production at a very low rate compared either to the old acreage reserve, or to the price support differentials for underplanting which are again before the Congress. In addition, the old problem of increasing yields on the remaining farm acreage is at last reached by this solution.

In Kentucky, 96 percent of the acreage added to the soil bank last year was in whole farms. In the first 3 years, only about one-fifth of the acreage was in whole farms, and I think this fact alone has in effect made the conservation reserve a wholly new and much more constructive program. I should think those who favor reducing farm program costs, who favor less Government control, and who favor long-range conservation efforts would be attracted to an expanded conservation reserve program.

It seems to me that the House action, if allowed to stand, will cripple the soil bank program in at least four ways: First, the $50 million reduction in authorization will cut acreage which can be accepted this fall not by 13 percent, but by 60 percent, because the reduction first cuts funds available for new contracts. The budget figure itself was $75 million below the authorization in the Soil Bank Act, which, in the absence of the acreage reserve might well be increased if the program is expected to deal with the very sizable farm problem.

Second, the ceiling of $3,000 for the combined annual rental and practice payments is far more drastic than the existing administrative ceiling of $5,000 on the rental payment alone. It would sharply reduce the eligibility of whole farms. While I favor reasonable limitations on all farm programs, the present limit does not seem to me too high. If $50,000 is an acceptable limit for price support on the production of any farm, $5,000 does not seem excessive for removing an entire farm from production.

Third, limiting contracts to 5 years will largely eliminate the tree-planting program. This is the practice most needed in Kentucky, and one to which the conservation reserve is well suited. Finally, some of the House language would impose requirements difficult or impossible to administer, or under which farmers could not be expected to participate since they would not know what they would receive.

I very much hope that the conservation reserve may be continued on a constructive basis. And I would be glad to join with any Members who share my belief that an expanded conservation reserve offers real hope for a successful, long-range attack on the farm problem—and represents, furthermore, a program already under way and understood by farmers.

Sincerely,

JOHN SHERMAN COOPER.

Soil bank conservation reserve, Kentucky

	Kentucky	United States
1959 program:		
Number of applications for 1959 conservation reserve contracts	7,021	228,430
Number of contracts which can be completed for 1959 (estimate)	3,700	155,000
Number of new acres offered, 1959	538,266	19,964,597
Number of new acres which can be accepted for 1959 (estimate)	284,000	13,200,000
Proportion of whole farms, new contracts, 1959 (percent)	93	82
Proportion of acreage in whole farms (percent)	96	84
1960 program:		
Acreage, based on $450,000,000 authorization in Soil Bank Act	186,000	8,300,000
Acreage goal, based on $375,000,000 budget authorization	112,000	5,000,000
Acreage, based on $325,000,000 House authorization	45,000	2,000,000

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
Lexington, Ky., May 29, 1959.

Hon. JOHN SHERMAN COOPER,
U.S. Senate, Washington, D.C.

DEAR SENATOR COOPER: The State ASC Committee has read your letter to the Honorable RICHARD B. RUSSELL, chairman of the Subcommittee on Agriculture for Appropriations.

We wholeheartedly support you in your endeavor toward an expanded conservation reserve program. We feel that the conservation reserve program is an effective way toward meeting the farm surplus problem, conserving natural resources and stabilizing the farm income. Whole farm units made up the greater proportion of farms participating in the 1959 conservation reserve program in this State. This should be an effective attack upon surplus agricultural commodities. On part farm units, the land that was not placed under the conservation reserve program would be farmed more intensively, and the overall production may be as large as before any acreage was placed under contract. Administrative costs of whole farm units should be one approach toward reducing costs of administering the farm programs. The $3,000 ceiling for combined annual rental and practice payments would greatly reduce the whole farm participation. Five-year limitations of contracts would eliminate the tree planting practice for which there is a dire need in this State.

Only about one-half of the farmers who signed applications for 1959 conservation reserve contracts were able to participate in the program due to the limitation of funds. Our personnel did an effective job of explaining the provisions of the conservation reserve program to the farmers. When funds were not available to accept applications from all farmers who wanted to participate in the conservation reserve program, this had a discouraging effect upon our personnel and caused dissatisfaction among the farmers.

A number of farmers in our State will suffer a financial loss as they made preparation after signing the application to participate in the 1959 conservation reserve program. Livestock and farm equipment were sold and farmers made no plans in a number of instances to operate their farm during the coming year.

We had hoped that funds would be made available for the 1960 conservation reserve program that would allow these farmers to participate in the conservation reserve program. Based upon the interest in the conservation reserve program, we are of the opinion that Kentucky would be able to use its proportionate share of the $450 million, as authorized in the Soil Bank Act if the funds were appropriated.

Your letter to Senator RUSSELL was well written and truly expressed the needs of Kentucky farmers for an enlarged conservation reserve program. The committee wholeheartedly concurs with you in your recommendations for an extended conservation reserve program.

We appreciate your efforts in behalf of farmers in this State on this and other matters.

Sincerely yours,

ROY C. GRAY,
Chairman, Kentucky ASC State Committee.

EXCERPTS

A paper by Dr. J. Carroll Bottum, Purdue University entitled "The Soil Bank as a Solution to the Farm Price and Income Problem," Joint Economic Committee print, 85th Congress, 1st session, states: "Since 1952 the U.S. agricultural plant has been geared to produce 4 to 6 percent more total agricultural products than the market would take at generally acceptable prices. * * * To make a voluntary soil bank work, payment must be large enough and administered so that they will shift from 30 to 50 million acres from grain crops, cotton, and tobacco to grasses, legumes, fallow, and trees. * * * Thus we might have a soil bank of 25 to 30 million acres and still not see any noticeable effect on aggregate production, but a further shift of 10 to 15 million acres out of the nonroughage crops might provide a significant adjustment in total agricultural output. To try to bring about an adjustment by taking out 15 to 20 million acres when a soil bank requires 30 to 50 million is like pushing a modern automobile to get it started at 15 or 20 miles an hour when it takes 30 to do the job."

* * * * *

In its January 1956 statement, "Economic Policy for American Agriculture," the Committee for Economic Development stated: "The most effective means of assisting in production adjustments would be a program for renting or purchasing land to be withheld from cultivation. Such a program would have a number of advantages. It could get land removed from production entirely, except possibly from grazing or timber, and to that extent would help solve the surplus problem rather than push it around from one commodity to another. It would supplement farmers' incomes. Present programs benefit farmers only if they stay on the farm and produce. A land rental or purchase program, applied to whole farms, would, on the contrary, encourage and assist the farmers who want to shift to other occupations."

* * * * *

Mr. Lauren Soth of the Des Moines Register and Tribune presented a paper to the Joint Economic Committee, 85th Congress,

1st Session. Page 633 of the Joint Committee print contains the following statement: "The most recent application of the direct-payment method of supporting farm income is in the soil-bank program. The only action necessary to make this a real farm-income support program would be to increase the rate of payments. If Congress were to step up the soil-bank payments, it would be feasible to lower price supports still further without lowering the incomes of farm people.

* * * * *

"If general income-support payments were to be made, it would be more sensible to relate such payments to conservation of the Nation's soil resources. The general taxpaying public would then be paying individual landowners for performing a task in the public interest—keeping land out of use when it is not needed and preserving it for future generations. In the conservation reserve part of the present soil-bank program, farmers are paid relatively small amounts of money for putting land in permanent pasture, trees, or other long-range uses to conserve soil and water. This is the part of the program which could be readily expanded."

STATEMENT OF SENATOR COOPER

Everyone acquainted with agriculture knows that our farm surpluses are getting larger each year, despite efforts to increase consumption at home and to increase sales to foreign countries. Many experts who have studied the situation have concluded that the present productive capacity of our farms is about 5 to 10 percent greater than our ability to consume and export.

The only program now available that has any reasonable possibility of bringing about the needed adjustment in farm production is the conservation reserve. At this time the program has taken out of production some 23 million acres of cropland. The authorization in the pending bill would take out of production an additional 8 million acres. With continuation and expansion, the conservation reserve can be made into a real adjustment program that will get results toward a true solution of our surplus problem.

A reduction of this program will not save money. In fact it would leave the Public Treasury open to even greater cost in purchasing surpluses than would be incurred by an expanded conservation reserve, which will take cropland out of production.

I have looked into the matter of cost and find that to support the prices of the crops that would be normally produced on the 23 million acres now in the conservation reserve program would cost approximately twice as much as the payments under the conservation reserve. The costs for price support are losses, not original investment. So, every dollar we spend for the conservation reserve reduces price support program costs by $2. That is a distinct saving—a saving of public funds and at the same time progress toward stopping the accumulation of surpluses in Government warehouses. And the program through its tree planting, grass and legume practices, will save soil and water resources for the future needs of our country.

The program has aroused the interest of farmers all over the country. During the signup period for contracts to take effect in 1959, farmers applied to place 20 million acres of cropland in the program—about 7 million acres more than funds were available on which to make payments. In Kentucky, farmers applied to place almost twice as many acres in the program as could be accepted.

There is no doubt about farmers' interest in the program—its effectiveness, however, will be determined by what we are willing to provide in appropriations. Adjustment programs cannot be effective when carried out on a timid basis—timid programs have been tried before and always fail. I would say to the Congress—provide enough authorization to permit a bold, expanded conservation reserve program to be carried out.

In recent weeks public statements have been made and stories have appeared in the press indicating that the land in the conservation reserve is generally of poor quality and that annual payments are too high. I do not believe these statements apply, at least in Kentucky. The Kentucky Agricultural Stabilization and Conservation Committee, the committee responsible for the administration of the program in my State, composed of successful and reputable farmers, reports that the land in the conservation reserve is equal in quality to the average quality of cropland for the State. The quality of land is good, and in addition, Kentucky farmers have put over 7,000 wheat allotment acres, 226 cotton allotment acres, and 2,500 acres of tobacco allotment in the program. Nearly all the farms in Kentucky on which all the cropland has been placed in the program had an allotment on one or more of the basic crops. So, on those farms there is no chance of shifting the acreage to other crops—all of it is out of production.

Another aspect of the program is producing dividends now and will for many years to come. All of the land in the program is required to be devoted to grass, trees, or cover beneficial to wildlife. The grass cover prevents wind and water erosion, and benfits everyone. Trees for timber will be needed in the future; this program is helping establish forests on large acreages.

The conservation aspects of this program must not be overlooked. It has the wholehearted support of a number of conservation and wildlife organizations. Every conservation-minded member of this body should support this program.

I urge the Department of Agriculture, the Committees on Agriculture of the Senate and House, to make a study of the Conservation Reserve program in all its aspects—its influence on total production by taking cropland out of production, its conservation benefits, its cost, which I predict will be less than that of price support programs for many crops.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. WILLIAMS of Delaware. Mr. President, I wish to send an amendment to the desk.

Mr. RUSSELL. I shall be glad to yield for that purpose.

Mr. WILLIAMS of Delaware. I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 12, line 15, to strike out "$250,000,000" and to insert in lieu thereof $100,000,000."

Mr. RUSSELL. Mr. President, I should like to point out that, of course, the issue as to whether or not we shall have a conservation reserve program after 1960 is primarily within the jurisdiction of the standing Committee on Agriculture and Forestry, which authorized this program. If the committee amendment is approved by the Senate and succeeds in negotiating the tortuous processes of parliamentary hazards, a total of 31 million acres would be embraced within the conservation reserve program. The question as to whether that authorization should be extended is certainly worthy of consideration. I would not undertake to pass judgment on it here at this time.

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

Mr. RUSSELL. I am glad to yield.

Mr. HOLLAND. I should like to comment particularly on the remarks of the distinguished Senator from Georgia with reference to the change made by the Senate Appropriations Committee from the 5-year limitation on the conservation reserve program, as contained in the House bill. I will ask the Senator to refer, if he will, to page 599 of the printed hearings, before I ask a question or two based on the relative differences between the 3-year, the 5-year, and the 10-year programs.

Mr. RUSSELL. I may say to the Senator that the tables which deal with the various phases of the conservation reserve program, and which are to be found beginning on page 593 of the hearings will, I think, be of great interest to all Members of the Senate; and I have some little familiarity with them because I undertook to get the Department to supply the information contained in these tables.

Mr. HOLLAND. I compliment the Senator for having made the request. I remember he did so. I think the inclusion of those tables shows with extreme clarity just why it is important that provision be made for the 10-year program.

If the Senator will note, practically all the Southeastern States have had to go almost entirely to the 10-year program, which is a program of tree planting and reforestation, and which I believe is the finest program available, at least in my part of the country.

Is it not true, as to Florida, the table on page 599 shows that only 1,125 acres are under a 3-year contract, 26,880 under the 5-year program, and 138,617 under the 10-year program—the tree-planting, reforestation program?

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. In the case of the State of Georgia, the great State represented, in part, by the distinguished chairman of our subcommittee, I note almost identical ratios appear. Georgia has made greater use of the program than has the State of Florida, for natural reasons having to do with soil conditions. For instance, I notice that a little less than 5,000 acres in the State of Georgia have been under the 3-year contracts, as compared with 142,000-plus acres under the 5-year contracts, and 613,000-plus acres under the 10-year contracts. That is correct, is it not?

Mr. RUSSELL. That is what the table indicates. This is not altogether a sectional matter, of course. If the Senator will look at the figures, he will observe that for the State of Colorado the 10-year program is of tremendous importance. It is a very popular program in the West, as well as in the Southeastern States. In the State of Kansas, 530,604

acres are under the 10-year contracts, which is almost the same amount as stated for Georgia, and several times the acreage under the 10-year contracts in the State of Florida.

Mr. HOLLAND. That is correct. I hope the Senator will agree with me on the point I was trying to make, which is that if the 10-year contracts were not provided for, and the 5-year contracts covered the maximum period allowed, as would have been provided under the House bill, the reforestation program would have been entirely eliminated.

Mr. RUSSELL. It would have eliminated what I regard as being one of the most important phases of the program for future generations, which is the reforestation program, as stated by the Senator from Florida. It would not be worth any person's while to plant trees under a 5-year program, because nowhere in this land, even in northern Florida or southern Georgia, where trees grow faster than anywhere else in the world, would a tree be large enough to use commercially in 5 years.

Mr. HOLLAND. Of course the distinguished Senator is exactly correct. The action of the committee, as I recall, was unanimous in turning from the 5-year limitation, which was contained in the House bill, to the 10-year limitation, which has been shown so clearly to be the only one under which reforestation can be successfully accomplished. I think that was a splendid decision, and was in the interest of the long-range welfare of the Nation, as well as in the interest of many, many owners of property which is not desirable for anything else except reforestation. Does the Senator agree?

Mr. RUSSELL. The Senator has stated what appeared to me to be the unanimous opinion of both the members of the subcommittee and the members of the full committee, when they considered the proposal.

Mr. HOLLAND. I thank the distinguished Senator from Georgia.

Mr. RUSSELL. I thank the Senator from Florida for his contribution.

Mr. President, I have no further comment to make on the bill unless some Member of the Senate wishes to inquire as to some specific item.

I regret that it was impossible to accept all the amendments urged by Members of the Senate providing for various activities, particularly those in the field of research, but we have carried the research appropriations forward very rapidly in recent years.

There were a number of requests for amendments which would have created soil and water research facilities in various sections of the country. The committee has previously had those amendments before it and has undertaken to deal with them for several years. Last year we requested the Department of Agriculture to conduct a survey and to advise the committee with respect to the needs in this field, and to establish an order of priorities for the important work of soil and water research. The Department submitted a very lengthy study and findings.

At one time, considering the large number of requests we received for copies, this report threatened to get on the list of best sellers, at least among the technical publications. The Department indicated that interest had been expressed in some $20 million worth of facilities, which would require an annual maintenance cost of about $26 million. Of course, we could not approve a program of any such magnitude as that for one type of research, so we approved a program to which the Department gave priority, which, as I recall, embraced an expenditure of about $2,016,000.

Mr. DOUGLAS and Mr. YOUNG of North Dakota addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Illinois [Mr. DOUGLAS], and then I shall yield to the Senator from North Dakota.

Mr. DOUGLAS. First, I should like to ask the able Senator from Georgia some questions about the obligations which the country is assuming under the Commodity Credit Corporation.

As I understand the language of the report on pages 17 and 18, it is indicated, roughly, the committee recommends that the total obligations to be carried in the appropriation bill for 1959–1960 shall be approximately $2.7 billion.

Mr. RUSSELL. I think that is a correct rough addition. I will say, however, that the committee did not allow the full amount requested.

Mr. DOUGLAS. The Department appropriations for 1958–59 were $3,907 million.

Mr. RUSSELL. We reduced those requests only $100 million.

Mr. DOUGLAS. That is correct. The budget estimates for 1959–60 were $2,803,521,913, and the amount recommended by the Senate Committee was $2,703,521,913.

Mr. RUSSELL. The Senator is correct.

Mr. DOUGLAS. As I understand the situation, approximately $1,435 million is to cover obligations which were really incurred in the fiscal year ending June 30, 1958; that is, for the fiscal year 1957–58. We are now bailing out the CCC under the stabilization program for the fiscal year 1957–58.

Mr. RUSSELL. It is fiscal 1958, I believe for restoration of capital impairment.

Mr. DOUGLAS. I think it is 1957–58.

Mr. RUSSELL. No; it is not an estimate. It is the cost for 1958.

Mr. DOUGLAS. May I ask the meaning, then, of lines 6 to 9 on page 27 of the bill:

> To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a–1), $1,435,424,413.

Mr. RUSSELL. I have not read the law recently but I can state my recollection. Under the law the Commodity Credit Corporation must make an appraisal and an estimate of its losses by a certain date. The figure in the bill was submitted pursuant to that provision of the statute.

Mr. DOUGLAS. I notice the use of the date June 30, 1958, which would seem to imply the appraisal deals with losses for the fiscal year 1957–58, and that the losses for 1958–59 would only be covered if the date of appraisal were June 30, 1959.

Mr. RUSSELL. It is for the fiscal year 1958. The figure of $1,435 million plus was agreed upon in order to restore the capital impairment of the corporation.

Mr. DOUGLAS. My query is, Is that for 1957–58 or for 1958–59?

Mr. RUSSELL. It is my understanding that it is for fiscal year 1958.

Mr. DOUGLAS. Fiscal year 1958?

Mr. RUSSELL. Yes.

Mr. DOUGLAS. So it would not cover losses for fiscal year 1959, the current year.

Mr. RUSSELL. No, it would not.

Mr. DOUGLAS. Is there any estimate as to what the current losses will be?

Mr. RUSSELL. I am sorry, but I am afraid I cannot furnish those figures to the Senator. I should be glad to undertake to obtain them.

Mr. DOUGLAS. We have heard estimates that they will amount to at least $2,700 million.

Mr. RUSSELL. The Senator from Georgia may have been derelict, but he did not inquire of the Department. We have had this question before us from year to year; but I must confess that the sums involved have a rather numbing effect on the Senator from Georgia.

Mr. DOUGLAS. I understand. They have a numbing effect on the taxpayers as well.

Mr. RUSSELL. In a modest way, I am counted among that number. The Department submits the figures it arrives at under the procedure set forth in the law creating the Commodity Credit Corporation.

Mr. DOUGLAS. With respect to the losses in the fiscal year 1958–59, we shall have to appropriate in 1960–61.

Mr. RUSSELL. We will appropriate in the bill for the fiscal year 1961, which the Congress is supposed to enact before the 1st of July 1960, a sum for the fiscal year 1959, to restore impairment of the capital.

Mr. DOUGLAS. So we are always from 1 to 2 years behind.

Mr. RUSSELL. We are always at least 1 year behind on this, but the item for reimbursement of the special activities has been handled in supplemental appropriations, I recall that distinctly.

Mr. DOUGLAS. With respect to the items shown on page 29, losses under the International Wheat Agreement and sale of surplus commodities under Public Law 480, and so forth, I take it that those are losses for the fiscal year 1958–59.

Mr. RUSSELL. I think those sums relate to the year 1959.

Mr. DOUGLAS. That is correct. But they were not anticipated in the appropriation bill for 1958–59, and have to be picked up after they occur, in the appropriation bill for 1959–60.

Mr. RUSSELL. These are estimated costs, as I understand.

Mr. DOUGLAS. Yes. But they are estimates for the funds which must be reimbursed for costs incurred in the fiscal year 1959.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Under these latter items, we appropriate for losses suffered in 1958–59.

Mr. RUSSELL. The losses dealt with in this item, under the heading "Reimbursement to Commodity Credit Corporation for costs of special activities," are those which the Department estimates will occur in the fiscal year 1959.

Mr. DOUGLAS. That is correct.

This raises the obvious question, How are we ever to get rid of or reduce such expenditures? What we are now doing, in effect, is to give, by prior legislation, an open certificate to the Department of Agriculture to spend an indeterminate sum of money. Then, after the Secretary has made his decision, a year or 2 years later the appropriation bill comes along and we then pick up the tab.

The point I should like to raise is this: Is there any way of imposing limits which will operate in the future? Very frankly, I believe the country feels like a man running down a steep hill dragging a sled behind him. The sled is gaining on him, and any moment it is likely to hit him. He started out thinking he was pulling the sled, but shortly he will be tumbled into a snowdrift by the sled.

Mr. RUSSELL. I am afraid I do not have a specific one to suggest to the distinguished Senator from Illinois.

The Senator knows that these losses occur under other legislation which has been enacted by the Congress of the United States. The losses are not all due to one law. The items we are discussing now relate to reimbursement for the costs of special authorized activities. The $63,875,000 is to make good the losses incurred under the International Wheat Agreement. If I recall correctly, that was a treaty which was ratified by the Senate after it had been negotiated by the executive branch of the Government.

Another item is $104,508,000 for commodities disposed of for emergency famine relief to friendly peoples. I believe that authorization is found in Public Law 480, which was the original legislation dealing with the handling of surplus commodities. It has been extended by the Congress from time to time.

Under the same law, the largest item is $968,016,000 for the sale of surplus agricultural commodities for foreign currencies, which is authorized in title 1 of the legislation referred to. We now have quite a large amount of foreign currencies in almost every country in the world. We have found no satisfactory way to handle these foreign currencies. A number of suggestions have been made. I think the Senator from Oklahoma [Mr. MONRONEY] suggested that we use them in the foreign aid program. I heartily approve of that suggestion, rather than continuing to appropriate large sums of American dollars.

Mr. DOUGLAS. $1,435 million is for commodity stabilization within our own country.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. This is the question I should like to propound to my good friend from Georgia——

Mr. RUSSELL. The sum of $1,435 million for commodity stabilization within our own country includes a number of items, such as milk which is distributed to the school children, large quantities of food contributed to the school lunch program, and large amounts of food distributed to relieve distress and to provide for the more unfortunate within our own country which amount to $383 million of the total amount in this item.

Mr. DOUGLAS. The school lunch program, aside from the milk program, has a separate appropriation, on pages 16 and 17, of $43,657,248.

Mr. RUSSELL. That is true, but there is also a great deal of food furnished. I think last year it amounted to almost $75 million worth.

Mr. DOUGLAS. This is the inquiry I should like to make: The Secretary of Agriculture, under the laws enacted by Congress, can commit us to enormous expenditures, the full extent of which we do not know at the time, and the amounts of which become revealed only a year or 2 years later. This has been referred to as "back-door financing." I would call it "barn-door financing."

The Secretary of Agriculture should come forward with a better program than the one he now has. If the Senator will examine the figures, he will find that the total farm income for this year is estimated, at current rates, to be only $12.7 billion. This includes the cash value of farm products consumed in farm households, the gross rental value of farm dwellings, and Government payments to farmers.

Mr. RUSSELL. What was the figure the Senator gave?

Mr. DOUGLAS. $12,700,000,000.

Mr. RUSSELL. We have been compelled to increase the borrowing authority of the Commodity Credit Corporation from year to year, until it has reached the level of $14.5 billion.

Mr. DOUGLAS. I am speaking of the income of all farmers.

Mr. RUSSELL. I understand. We have had to increase this authority of the Corporation to a figure which is greater than the average annual income of all the farmers of the country; and we are told it will have to be increased again next year.

Mr. DOUGLAS. Almost a third of the cash income of the farmer seems to come either directly or indirectly from the Government.

Mr. RUSSELL. No. I do not accept that statement at all. The Senator has fallen into the common fallacy of charging up to the farmers food which enters into the school lunch program, food which is contributed to people in distress, food which goes to hospitals and eleemosynary institutions, food which is exported to the peoples of Europe, from which we get these foreign currencies, money paid out under the International Wheat Agreement, and all the uses to which food surpluses are put. The farmer does not receive the benefit of all of it.

Mr. DOUGLAS. Let me put it this way: The Government is spending on its farm program a sum equal to approximately one-third of the total income received by farmers, including the value of food grown on the farm and the value of farm dwellings occupied by farmers. It would be interesting to compute the cash payments by the Government to the farmers with their total cash income. It is my belief that this cannot be far from 30 percent. The expenditures of the Government for agriculture, charged to the Department of Agriculture, are equal to almost one-third of the total income from all sources of all the farmers in the United States.

Mr. RUSSELL. Those expenditures are charged to agriculture, but some of them are very unfairly charged to agriculture. Of course the Senator has overlooked the fact, for example, that a billion dollars a year is charged for storage, interest, administrative expenses for the commodity loans, and the handling of commodities acquired by the Commodity Credit Corporation.

Mr. DOUGLAS. The question the Senator from Illinois would like to ask is whether there is any way whereby we can diminish this flow at the spigot. Are we condemned to have this situation remain with us year after year and to be powerless to control the total amount which is spent? Is it not possible to find some way whereby we can reduce the amount? Frankly, I am baffled. Either by accident or design legislation has been adopted and rulings made in such a way that we are almost powerless to protect ourselves in any current year. I wondered why we could not impose a ceiling on the total amount which would be spent for all the commodity stabilization programs. But plantings for 1959 have already been made. If there are surplus crops which cannot be purchased by the Commodity Credit Corporation, they will be thrown on the market, and the price will break by even a greater proportion than before. So while I considered this possibility, I have had to discard it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. With respect to wheat, the Government could eliminate all the costs if we were to adopt the domestic parity plan.

Mr. RUSSELL. The Senator from Illinois has posed a question. In common with all my colleagues from agricultural States, I have a farm plan. It goes to the basic legislation. However, we cannot attach it to the pending bill, and it would take too long a time to explain it.

I doubt that many of my colleagues would agree with me on it, because nearly every one of them has a farm program of his own. So far as dealing with it in connection with the pending bill is concerned, I do not believe it would be feasible to do that. The only function our committee had was to undertake to pass on the estimates which the Secretary of Agriculture submitted. The law says that Congress shall appropriate the funds for the Department.

Mr. DOUGLAS. Does that mean that we have lost control over our farm program?

Mr. RUSSELL. I do not doubt that the agricultural program, so far as the Commodity Credit Corporation is concerned, is completely out of hand, and has been for years.

Mr. DOUGLAS. I certainly feel very regretful that this should be so.

Mr. RUSSELL. I share the Senator's concern and the sense of frustration he feels. I have given this matter a great deal of thought, but I believe that in connection with this bill we cannot deal with that matter now.

Mr. DOUGLAS. I wonder if I could make a suggestion.

Mr. RUSSELL. I should be glad to have the Senator's suggestion.

Mr. DOUGLAS. Would it be possible to provide that no administrative expenses of the Department of Agriculture shall be paid unless for the year 1961–1962 the Secretary of Agriculture puts into effect certain restrictions upon output?

I am very frankly concerned with the situation so far as corn and feed grains are concerned. The Secretary of Agriculture has said that he will support corn at $1.12 and has told farmers to plant just as much as they wish; that the sky is the limit. Substantially the same provisions have been put into effect for the competing feed grains. I have checked with the men who sell seed in Illinois, and I find that more corn is being planted than ever before. If satisfactory weather prevails, we will have an enormous crop of corn. As a result, the deficit of the Commodity Credit Corporation will increase for 1959–60. Is there any way whereby we can at least protect ourselves in the future, if we have lost control over the present?

Mr. RUSSELL. I do not know of any way it can be done in connection with the pending bill. Of course Congress as a whole will have an opportunity to do it next year, because the Commodity Credit Corporation will be compelled to come to Congress and ask for an increase in its borrowing authority next year. That will put the whole issue before Congress, and Congress will be able to legislate in any way it sees fit.

Mr. LAUSCHE. But next year is an election year.

Mr. DOUGLAS. I wonder if it would be possible to add an amendment something along these lines: *"Provided,* That no funds or stocks of the Commodity Credit Corporation shall be used for any purpose if the use thereof will cause the capital impairment of the Corporation in the fiscal year 1960 to rise above $2,500,000,000."

Mr. RUSSELL. The Senator from Georgia is obliged to state that that would be legislation on an appropriation bill. Under rule XVI, he would be required to make a point of order against it.

Mr. DOUGLAS. What does the Senator think of the substantive provisions of such a restriction?

Mr. RUSSELL. Undoubtedly the patient is sick, but I think what the Senator proposes is a shotgun cure.

Mr. DOUGLAS. I saw how the Senator from Georgia worked when the size of the Marine Corps was in question. He approved of a restriction upon the Defense Department spending any money for administrative purposes in connection with a reduction of the Marine Corps strength to 175,000. That seemed to be iron tight. Why could we not impose a similar restriction on the Department of Agriculture, providing that the Secretary of Agriculture could spend no money for running his office unless for the year 1960–61 he imposed restrictions on the amount of each crop to be supported. Can we not at least protect ourselves for 1960–61 or 1961–62?

Mr. RUSSELL. The distinguished Senator from Illinois is justly proud of being able to claim association with the courageous organization known as the U.S. Marine Corps. However the proposal to which he refers was a legislative provision which was put on an appropriation bill. The Senator from Georgia was not in charge of the bill. He did not question it because he was supporting the amendment. However, if the Senator from Illinois will go back to the RECORD, he will find that it was a legislative proposal.

Mr. DOUGLAS. The amendment which the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois sponsored a few weeks ago was more definite than that. It struck out the use of administrative funds if the result of their use would be to effect a reduction in Marine Corps strength. I thought that I saw the Senator from Georgia give his approval.

Mr. RUSSELL. Yes.

Mr. DOUGLAS. That was iron tight. As a matter of fact, the Defense Department frankly stated—I believe I am safe in saying this—that it could not get around that provision. If the Defense Department could not get around that provision, let us fasten the same kind of provision in the pending bill so that Ezra Taft Benson cannot get around it.

Mr. RUSSELL. The laws which affect the Marine Corps are not quite so complicated as those which relate to the Commodity Credit Corporation.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. For example, the law requires that the Secretary of Agriculture shall support corn at 65 percent of parity. The Secretary cannot tell in the spring whether it will cost $300 million or $2 billion, and he cannot change the basic law. It would be necessary to wipe out the 65-percent provision if we wished to make sure that the cost would not go beyond $2 billion, for example.

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

Mr. RUSSELL. I am glad to yield to the Senator from Florida. He and the Senator from Ohio [Mr. YOUNG] are distinguished members of the Committee on Agriculture and Forestry.

Mr. DOUGLAS. Both of the Senators double—I shall not say in brass—in responsibility for agricultural appropriations.

Mr. RUSSELL. I trust one of them will be able to supply some balm for the distress which the Senator from Illinois feels because of these increasing expenditures.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding. I wish to express my sympathy to the Senator from Illinois for the feeling of frustration which he so clearly entertains. I would say that that is not limited to those who are not members of the Committee on Agriculture and Forestry or the Appropriations Subcommittee which handles agricultural appropriations.

Those of us who are on those committees share the same feeling of frustration. But I think the record should show that there are a great many activities in agriculture which are proceeding normally, soundly, and substantially. For instance, the Farm Credit Administration, which the Senator will find discussed on page 14 of the report. It is correct, is it not, that the Farm Credit Administration is now not asking for the appropriation of any Federal funds, whatever, and that the $2,125,000 in the bill is a limitation of expenditure for administrative purposes; it is the same as that included in the budget estimate, and the same as that adopted by the House, meaning that those basic financing activities in agriculture which are comprehended within the Farm Credit Administration are proceeding soundly and with stability?

Mr. RUSSELL. The farm credit organizations have not required any direct appropriations for a number of years. The administrative funds to which the Senator from Florida refers do not come from the Treasury; they are not taxpayers' funds. They come from the funds which are accumulated by the various farm credit organizations. That has been the case for several years.

Mr. HOLLAND. The Senator from Georgia of course is correct. I simply wanted the RECORD to show that no Federal money is being appropriated for any of the basic financing activities which function through corporations operated by the Government, such as the Federal intermediate credit system, and all the Federal banks for cooperatives, or even for the administration expense, which is very minor. Congress simply prescribes a limitation; but they provide the money themselves out of their own funds. That is correct, is it not?

Mr. RUSSELL. That is correct, with the exception, I think I should say, that I do not find a great deal which is shipshape except the farm credit program.

Mr. HOLLAND. I wish to comment on one or two other items, because I think there are some other things which should be considered. I do not believe we should permit the RECORD to show a feeling of complete helplessness in the field of price supports and the activities of the Commodity Credit Corporation.

For instance, in the financing of the Farmers Home Administration, which Senators will find covered on page 11 of the report that administration being the lending agency of the Government which has to do with substandard or marginal activities, to mention its principal function, it is correct to say, is it not, that in that field the recommendations of the Budget and the actions of

the House and of the Senate are identical?

Mr. RUSSELL. No; the Senator from Florida is in error. If he will check the figures again, he will find that the Department has been trying to eliminate the Farmers Home Administration, which is one of the more worthwhile divisions of the Department of Agriculture, but Congress has resisted the Department's efforts.

Mr. DOUGLAS. The Farmers Home Administration deals with the poorer class of farmers, does it not?

Mr. HOLLAND. The amounts provided by the House and the Senate exceed the amount of the budget estimate by $33 million. But the House and the Senate are together on that item, and there is no controversy about that important agency.

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. To refer to the Rural Electrification Administration, which is discussed on page 10 of the report, my recollection concerning that item is that the House and the Senate actions on the electrical end of the program and the telephone end of the program are identical.

Mr. RUSSELL. That is correct; and Congress has allowed a $25-million additional contingency fund in case the original funds provided are not adequate.

Mr. HOLLAND. With reference to the Federal Crop Insurance Corporation, is it not true that the budget estimate for this year is the same as that of last year, and that the budget estimate and the House and Senate amounts are the same for that important activity, which enables so many thousands of farmers to insure themselves against tragic losses due to weather conditions over which they have no control?

Mr. RUSSELL. The Senator is correct as to the funds involved in the administrative request for this Corporation. I may say that I think there is room for considerable discussion as to whether thousands of farmers are covered. This matter has never been permitted to go beyond an experimental insurance program. Only a few selected counties have been permitted to have the insurance. In other words, there is no crop which is fully insured, so far as I am advised.

Mr. HOLLAND. The Senator is corect; but the total number of farmers who are insured is in the thousands.

Mr. RUSSELL. I do not challenge that statement. I simply know that the insurance is not available to all farmers with respect to any one commodity.

Mr. HOLLAND. It is a mutual insurance program which the Federal Government has created to enable farmers and fruitgrowers to protect themselves against unexpected damaging weather conditions because of the failure of private enterprise to provide such coverage.

Mr. RUSSELL. We have labored with this problem for 20 years, to my certain knowledge.

Mr. HOLLAND. It is a function which provides financial savings and stability, as shown by the report. I could mention other features, such as the Sugar Act program, which appears above the Federal Crop Insurance Corporation in the report, on page 10. In that program, there is no increase over the budget estimate, and there is no difference between the Senate and House figures.

There are many items in the Department of Agriculture as to which there is great stability. The only reason why I am referring to these items is that sometimes we who are members of the Committee on Agriculture and Forestry and of the Subcommittee on Agriculture Appropriations suffer from exactly the same sort of frustration which I think has been felt and stated, and I think very properly, by the Senator from Illinois [Mr. DOUGLAS]. We are struggling with all these activities but I think it is sometimes good to call attention to the fact that many of them are in good, sound condition.

But as to the price support program, I call the Senator's attention to the fact that there has been a grievous difference of opinion, not merely in the committees, not merely on the floors of the Senate and House, but in the agricultural organizations themselves and among the farmers themselves, as to what may be a sound, adequate program. It is in that field alone that there appear any greatly frustrating facts in the whole diversified program.

So I hope those who are not confronted with the daily task of wrestling with these problems will not come to the conclusion that the whole agricultural picture is one of confusion and disappointment.

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

Mr. RUSSELL. I yield.

Mr. COOPER. I wonder if the Senator from Florida would comment on one of the oldest programs, the Extension Service. Year after year the Extension Service, which is a joint undertaking by the Federal Government and the States, offers great value for the farmers and the country.

Mr. HOLLAND. The Senator from Kentucky is, of course, correct.

Mr. COOPER. I note that the amount recommended to be appropriated by the Senate committee is just the same as that approved by the House and by the Bureau of the Budget in its estimate.

Mr. HOLLAND. The Agricultural Marketing Service could be mentioned, as could many others. I was referring particularly to the financial activities. Perhaps I should have gone further and mentioned some of the other operating facilities of the Department of Agriculture, and of agriculture in the Nation and in the States, which are functioning with great credit to themselves and with great satisfaction to agriculture. But I do not want to minimize the position of the Senator from Illinois, because he has put his finger upon the most distressing and the most difficult problem in the entire field of agriculture. Some of us are willing to throw the whole price-support program overboard. Frankly, that has been my innate feelings for a long time. Yet I do not think we have come to the stage where it can be done away with, because to do so would hurt many, many good people.

I hold no brief for the Secretary of Agriculture; perhaps he has been unwise in some particulars, though I am not so charging at all, but I hope the Senator from Illinois will realize that the real fault is in the laws themselves which Congress has passed, and which do not, as I see it, at least, afford successful machinery for dealing with the price-support program.

Mr. RUSSELL. Of course, there is much in the bill which is very helpful. I am not one of those who have always agreed with Mr. Benson's policies. But, to give the devil his due, as the saying goes, in the field of research Mr. Benson has accepted almost every suggestion which has been made.

Of course the large appropriation items in the bill, when we get down to it, are the ones to which the Senator from Illinois has referred, which makes good the losses which have been incurred in the support programs. The fact that those losses have been incurred has generated other expenditures. We never would have had the soil bank and the $2 billion which has been spent on it if the support program had been soundly administered and if farm income had been maintained.

I personally think Mr. Benson is so bitterly opposed to any support program at all, that he is not disturbed about losses, so long as they discredit the effective operation of any support program; and I think the program has cost us a great deal of money for that very reason. Undoubtedly we are confronted with a situation in which Congress is powerless to get another Secretary of Agriculture; and I am convinced that the support program, as it is now written, is not going to function, so long as Mr. Benson is its guardian.

So we are now confronted with the necessity, as I see it, of trying to get on the statute books a law which will function in conjunction with the present Secretary of Agriculture.

In my judgment, the support program will never function under Mr. Benson, because he does not believe in it. He does not believe farm commodity prices should be supported, and he has just about convinced a majority of the people of the Nation that there cannot be a successful support program.

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

The PRESIDING OFFICER (Mr. KEATING in the chair). Does the Senator from Georgia yield to the Senator from Illinois?

Mr. RUSSELL. I yield.

Mr. DOUGLAS. First, let me say that I was greatly pleased by the eloquent tribute which implicitly was paid by the Senator from Florida [Mr. HOLLAND], and to some extent by the Senator from Kentucky [Mr. COOPER], to the administrations of Woodrow Wilson and Franklin D. Roosevelt, in regard to agricultural matters, because I remember that it was Woodrow Wilson who started the farm credit system when he

sent to Europe his commission which returned with the proposal for the farm credit land banks; and it was also in the administration of Woodrow Wilson that the Agricultural Extension Act—I refer to the act which provided for Federal aid for county agents—was enacted.

Furthermore, it was in the administration of Franklin D. Roosevelt that the Farmers Home Administration was begun—although it then had another title; nevertheless, it performed the same function of helping the poorer farmers. Moreover, I believe it was at that time that crop insurance was also begun.

All those measures were fought against strongly at the time by the opposition party. So I am glad to see that time has vindicated those programs.

Mr. COOPER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. COOPER. Mr. President, I am very happy to pay my tribute to any President who promulgated and encouraged these programs.

I should also like to say that President Theodore Roosevelt established a Country Life Commission, composed of outstanding men who served without pay. I believe there were seven members of that commission. They made many of the recommendations which became law under later administrations.

I should also like to say that it was during the administration of President Abraham Lincoln that the Homestead Act and the Morrill Act, providing for the establishment of the land-grant colleges, were passed in 1862, as well as the act creating the Department of Agriculture.

Mr. DOUGLAS. Theodore Roosevelt had many good ideas which the Republican Party unfortunately would not put into effect. So it remained for the Democratic Party to put them into effect.

The county-agent system on a wide scale came, of course, with the Smith-Hughes Act of 1914, as I recall. The author of that first measure was the great Senator Hoke Smith, of Georgia, whose seat the present distinguished Senator from Georgia [Mr. RUSSELL] occupies, I believe, and who had been Secretary of Agriculture in the Cabinet of Grover Cleveland, as I recall.

So I am very glad our friends on both sides of the aisle join in approval of those actions of past Democratic administrations.

Now I come to the present Republican administration.

Mr. HOLLAND. Mr. President, before the Senator from Illinois discusses the Republican administration, I should like to say just a word, because I do not happen to come within that group.

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. The reason why I chose the Farm Credit Administration, the Farmers Home Administration, and the REA as the basis for my remarks, in the main, was that I am chairman of the subcommittee which for some years has handled the legislative work in those three fields, and I happen to know that those three agencies are operating in a stable, sound, and satisfactory way. After mentioning them, I then referred to other sound activities.

Let me say that I am not particularly concerned with who was the father or the founder of any of those particular programs. The point I am trying to make to the Senator is that I hope he will not let his understandable frustration in regard to the price-support program, which has operated under both Democratic and Republican administrations—but I think has never been sound except as a war measure—I hope he will not let that frustration lead him to the conclusion that the Department of Agriculture is not serviceable and successful in most fields, regardless of the source from which the particular activities may have come. We who work daily in this field find it a most pleasant and rewarding field in which to labor, even though I share the Senator's frustration when it comes to the one great failure—the field of attempted price supports—which is the largest field of all, in terms of dollars and cents.

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

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I am going to address some questions to the Senator regarding the matter of surpluses, and I wonder if it would be appropriate to ask unanimous consent that the colloquy be printed in the RECORD prior to the colloquy which the Senator from Georgia has had with the Senator from Minnesota.

Mr. RUSSELL. Mr. President, I am glad to ask unanimous consent that all of the colloquy between the distinguished Senator from Minnesota and the Senator from Georgia be printed after the discussion of the Commodity Credit Corporation clause.

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

Mr. DOUGLAS. Mr. President, do I correctly understand that the Commodity Credit Corporation surplus in the form of loans and inventories at the end of 1952 amounted to approximately $2,450 million?

Mr. RUSSELL. That is approximately correct.

Mr. DOUGLAS. And that, as of April 1, 1959, those surpluses amounted to approximately $9 billion.

Mr. RUSSELL. That is, the stocks on hand.

Mr. DOUGLAS. Yes.

Mr. RUSSELL. That is correct.

Mr. DOUGLAS. Do I correctly understand the Senator to say that we have increased the loan authorization of the Commodity Credit Corporation?

Mr. RUSSELL. I understand that the borrowing authority of the Commodity Credit Corporation at the present time is $14.5 billion.

Mr. DOUGLAS. And it is anticipated that the surpluses this year will increase very markedly above the $9 billion figure.

Mr. RUSSELL. Yes. I think there is no question that there will be a substantial increase in the surplus of some commodities.

Mr. DOUGLAS. It may reach $10 billion, $11 billion, $12 billion, or $13 billion.

Mr. RUSSELL. I would not undertake to make a guess. It is too early to tell; but if we have a good crop year, the figure may even reach the larger sum mentioned by the Senator. We have had unusually good crop years, and I would not be surprised if the figure mentioned by the Senator were reached.

Mr. DOUGLAS. Mr. President, will the Senator permit me to place in the RECORD at this point a table which I have prepared, which I believe to be accurate, showing surpluses, by commodities, comparing the surpluses on December 31, 1952, with the surpluses on February 28, 1959?

Mr. RUSSELL. The Senator is at liberty to place the table in the RECORD as part of his remarks.

Mr. DOUGLAS. The table shows that the surplus of corn has increased from 368 million bushels to 1,571 million bushels. The surplus of cotton has increased from 1 million bales to 7.9 million bales; the surplus of wheat from 467 million bushels to 1,300 million bushels; and there are similar surpluses, though in different proportions and amounts, for peanuts, rice, tobacco, barley, grain, sorghums, oats, and soybeans.

I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

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

Surpluses by commodities

Commodity	Unit	Dec. 31, 1952	Feb. 28, 1959	Times increased
Corn	Bushel	368,000,000	1,571,000,000	4.2
Cotton	Bale	1,000,000	7,900,000	7.9
Wheat	Bushel	467,000,000	1,300,000,000	2.7
Peanuts	Pound	192,000,000	256,000,000	1.3
Rice	Hundredweight	168,000	12,600,000	75
Tobacco	Pound	544,000,000	936,000,000	1.7
Butter	do	2,700,000	44,400,000	16.4
Barley	Bushel	9,000,000	158,900,000	17.6
Grain sorghums	Hundredweight	1,300,000	302,000,000	234.5
Oats	Bushel	19,000,000	104,000,000	5.4
Soybeans	do	8,000,000	134,000,000	16.7

Mr. DOUGLAS. Mr. President, I should like to inquire of the Senator from Georgia with regard to a possible means of reducing these charges in the future. I have been working on a rough draft of language, and I should like the offhand opinion of the distinguished Senator from Georgia as to what my

proposed amendment might accomplish. It is addressed to page 29, after line 5. It would constitute a further limitation.

Provided further, That no funds shall be paid for any purpose by the Commodity Credit Corporation for any crop planted after January 1, 1960, with respect to which the Secretary has failed to provide for production controls or acreage limitations, or restrictions as provided in section 401(c) of the Agricultural Act of 1949.

One of the basic reasons why the surpluses have increased and have mounted to such extremes is that the Secretary of Agriculture, Mr. Benson, has failed to carry out section 401(c) of the Agricultural Act of 1949, which provides that the Secretary has the power to demand compliance by the producer with certain restrictions which the Secretary may apply, in order to be eligible to receive price support from the price support loan fund.

Instead, the Secretary has put into effect low support prices without requiring any acreage or bushel restriction of any effective kind, for a long list of commodities, namely, corn, grain sorghums, oats, rye, barley, soybeans, honey, tung nuts, cottonseed, flaxseed, and dried edible beans. The effect of this failure to impose quantity restrictions is to provide an open-end program under which the Secretary essentially agrees to buy everything the farmer grows, and later presents us with the bill.

This is the problem with which we are wrestling in the Corn Belt already, as I have mentioned. The Secretary fixed the support price at $1.12 or $1.13 a bushel, but with absolutely no restrictions on planting, acreage, or bushels. He did this himself. This is his program. He requested it.

The result, as I stated earlier, is a tremendous planting of corn. If the weather is at all favorable, we shall have an enormous corn crop. The Secretary has pledged the taxpayer to buy all this crop at $1.12, with no limit upon the operation. We shall have a tremendous surplus, at an enormous cost.

The purpose of my amendment is to say that, perhaps, by reason of failure to act in the past, we cannot protect ourselves with respect to the plantings made in the past few months, but we can lock the door, so that next year the Secretary of Agriculture will have to establish some restrictions under the mandate which was given to him in the 1949 act.

I am not an expert on this subject, but it seems to me that such an amendment would be appropriate.

Mr. RUSSELL. Mr. President, I have not seen reduced to writing the amendment intended to be proposed by the distinguished Senator from Illinois. I have tried to follow it as best I could from his reading of it. I assume, if I correctly understand it, that if the committee amendment is in order, probably the Senator's amendment would be. I could not accept the amendment, because it was not considered by the committee. I think it would have a great impact on the entire agricultural situation of the country, and particularly on the corn farmers. I believe the corn farmers voted on this question. The Department encouraged them to vote for the program which is in effect.

Mr. DOUGLAS. The Secretary of Agriculture gave the corn farmers "Hobson's choice." They were not permitted, really, to vote for what they wanted.

Mr. RUSSELL. That is true. They had a narrow choice between two programs.

There are very few counties in my State in what was once called the old commercial corn area. As I understand it, that has been done away with now, and every farmer who plants corn anywhere in the United States is entitled to support. I assure the Senator that the farmers of Georgia are aware of that fact. They can grow a great deal of corn. They have not done so heretofore because most of them were not in the so-called commercial corn area. The Secretary will have a great many customers in that part of the United States supplying him with corn which he has not had before.

Mr. DOUGLAS. I think the Secretary of Agriculture has led us into disaster with respect to corn and grain feeds planted in 1959.

Mr. RUSSELL. If we have a good crop year there will be nowhere to store corn.

Mr. DOUGLAS. Can we not protect ourselves for 1960 by placing a proviso in the bill to the effect that no Commodity Credit Corporation funds may be used for any crop planted after January 1, 1960, with respect to which the Secretary of Agriculture has not provided for production controls or acreage limitations, as provided in section 401(c) of the 1949 act?

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

Mr. RUSSELL. I yield.

Mr. HUMPHREY. It seems to me that the amendment of the Senator from Illinois merits our most careful and sympathetic consideration. I should like to speak in behalf of the amendment. I wonder if the Senator from Illinois will submit the amendment to be printed.

Mr. RUSSELL. I should like to see it, so that we may understand what it would do.

Mr. DOUGLAS. I shall be glad to have it printed; but I thought the hurry sign was out.

Mr. HUMPHREY. Action will not be completed on the bill today.

Mr. DOUGLAS. If we have until tomorrow, we will have the amendment printed.

Mr. RUSSELL. It would not be too difficult to have someone make copies of it. I doubt if action on the bill will be completed today. If the amendment could be written that would be of some help.

Mr. DOUGLAS. I will see that it is written.

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

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator may recall that in 1956 an amendment was offered in the Senate, with administration support, to pay $1.25 a bushel for corn, with unlimited production, in the commercial corn area. The Senator may also recall that the Senator from Minnesota spoke against that amendment. I voted against it in committee. I did so because, I said, to adopt that amendment, would mean the opening of a Pandora's box of trouble. I predicted that the Government would own hundreds of millions of bushels of corn. That, Mr. President, wrecked the corn program that year.

I should like to say to my friend from Illinois that last year the choice the farmer had was the choice between voting on acreage allotments of 35 million acres of the estimated 72 million acres which were being planted, or taking the other formula, which was just slow death, 65 percent of parity and unlimted acreage.

In the State of Minnesota, which is one of the leading agricultural States of the Nation, we produce a substantial amount of feed grains, a substantial amount of soybeans, and a substantial amount of corn, both for feeding purposes, and for commercial purposes. Corn is being planted at $1.10 or $1.11 or $1.12, depending on the area-guaranteed price. We will have an increase from 73 million planted acres to more than 90 million planted acres.

The Department of Agriculture has foisted upon the American people in this year, 1959, another potato fiasco. When I came to the Senate in 1949, the primary agricultural question was what to do about potato price supports. During the war years, because of the need for potatoes for the purpose of making alcohol, there was a price support program in effect to encourage the production of potatoes, and there was no control at all over production.

The Government of the United States was then spending about $600 million on the potato program, and that program was a national disgrace. Congress ultimately rejected the whole thing out of hand.

Of course, the same thing is happening to corn. We will have so much corn produced this year, 1959, that it will be utterly impossible to find the bins in which to store it. The only thing that can save us is an act of God, which would prevent the crop from maturing and being harvested.

Whom does such a program help? The farmer? Certainly not. Cheap corn means surplus corn. Surplus corn means surplus hogs. Surplus hogs mean cheap pork and cheap lard. That means the end of thousands of farmers.

Some of us have literally wept because of the foolish agricultural economics. The Department of Agriculture has committed itself to the policy of reducing price supports and taking off controls. Both actions lead to agricultural catastrophe. We have had a 20 percent reduction in price supports since 1953, on the average. In the meantime, commodity holdings have risen from $2½ billion to more than $9 billion. Thousands of farmers have been driven off the land. Whole agricultural communities have been destroyed. The hoax

which is being perpetrated is in leading of the people of the country to believe that Congress is responsible for all this.

Mr. President, we passed three farm bills, and all three were vetoed. We have had the gun pointed at our temples—it has been at my temple, certainly—and we have been told by the President and by the Department of Agriculture, "Pass this bill or you won't get any bill." So we passed bills which the administration demanded. The bills were worthless, and they have been administered in an even less worthy manner.

Now that they are a complete fiasco and now that the Nation is groaning under the load of the farm surpluses and under the maladministration of the Department of Agriculture and of the administration as a whole, it is said that it is our fault.

Let me make it perfectly clear that it is not my fault. It is not my fault that we provide 65 percent of parity as a price support for corn, with unlimited production. I voted against that miserable bill. It is a "lousy," no good bill. I said so to my people. It has been said that a referendum has been held on the question. How many people in the farm area voted on that question? Of the total number who had acreage allotments, less than 20 percent went to the polls. Of the 20 percent, a large number voted against the alternative.

I am sorry to take so much time of the Senator from Illinois, who is asking questions of the Senator from Georgia. However, I wish to say to the Senator that when we put a price support on a commodity which is in excess supply, that commodity ought to have a production control imposed on it. It is another thing to have a price support on a commodity when it is necessary to encourage production. Then it is not necessary to have production controls. Then we ought to have controls which would increase production. However, when we are dealing with a price support on a commodity of which we have millions of pounds or bushels in excess supply, it is necessary to have acreage controls, production controls, marketing controls, or whatever may be required.

The farmer will accept controls if we give him a good price. However, we cannot expect him to accept 60 percent of parity and a 30 percent reduction in acreage. He is not that foolish. He has suffered under Secretaries of Agriculture, under acts of God, and from pestilence, and bad weather. The farmer is not going to be so foolish as to accept lower price supports and larger acreage reductions, which cut the heart out of his business.

I know what farm people think. I have visited with them and worked with them. They have faith in me, and I have faith in them. I have said to my colleagues in the Senate and in committee that the farmer does not want a free ride. He will accept controls on his production. If we are big enough fools to offer him a free ride, he may say, "Everybody else is getting a free ride. The interest rates of the banks are being raised. There are almost unlimited profits for corporations. Everybody is on the gravy train." So he may feel that he might as well get on the gravy train too, even though it is slopping over.

If Congress will see to it that the farmer gets a chance to realize a fair price for what he produces, he will limit his production. If we give him a fair price, he will limit his production.

Mr. Benson is overfeeding the entire farm economy to the point where it has become the victim of Benson's gout. That is what is wrong with it. He is overfeeding the whole price-support program, and the whole economy is getting Benson's gout. The only cure for that sickness is a very drastic change, which will take place not very long from now. I shall speak on that point later.

Mr. RUSSELL. Mr. President, I have listened with great interest to what the Senator from Minnesota has said. I have been of the opinion for some time that the principal aim in life of the present Secretary of Agriculture is to prove that price supports will not work, even if it costs $20 billion to prove it.

Mr. HUMPHREY. The Senator is absolutely correct. In that endeavor, the Secretary has been quite effective thus far. I only hope that time runs out on him.

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

Mr. RUSSELL. I yield to the Senator from Illinois.

Mr. DOUGLAS. I merely wish to ask a very simple question. The Senator from Illinois does not pretend to be an expert on farm problems in any sense.

Mr. RUSSELL. I have resigned my claim to that distinction some time ago.

Mr. DOUGLAS. Like most of us, I am distressed by the enormous expenditures which we are making, while the condition of the farmer gets worse and worse from year to year.

The Senator from Minnesota spoke of thousands of people who are leaving the farms. I have here the latest issue of Economic Indicators, which shows that in 1952 the average number of farms was 5,400,000; and in the first quarter of 1959, 4,600,000, 800,000 fewer farms, which means from 4 million to 5 million fewer farm people. At the same time, the average price of a unit of farm goods, the prices received index, on the farm has been decreased by 15 percent or from an index number of 288 in 1952 to 244 as of April 15, 1957. The price of goods which the farmers buy has increased by 3 percent, and most of this, I may say, is in the field of living costs, not production costs. The parity index has fallen from 100 in 1952 to 82 as of April 15, 1959. So a composite unit of farm products today can purchase 18 percent less than it could purchase in 1952.

A farm depression exists today, with increasing governmental expenses and increasing surpluses. Sometime a change must be made; and to my mind, the quicker the change is made, the better.

The amendment which I have suggested is being mimeographed and will be available in a few minutes. I hope the Senator from Georgia will examine it. It requires the Secretary of Agriculture, by imposing a limitation on Commodity Credit Corporation funds, to provide some form of production controls for every crop planted after January 1, 1960, upon which a price support is given. I hope the Senator from Georgia will examine the amendment. If there are any errors, I hope he will point them out to me. I am not an expert in this field at all; I simply have a desire to protect the farmers, and at the same time afford protection to the taxpayers in general.

Mr. RUSSELL. I shall be very happy to look at the amendment which the Senator from Illinois is suggesting.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I understand that the bill has now been amended so as to appear before the Senate as a new or a clean bill, and subject to amendment as if it had been reported without amendment.

I should like to ask the Senator from Georgia a few questions in regard to certain technical portions of the bill; and thereafter I should like to make some general observations on the bill.

First, I should like to ask the Senator from Georgia about the brucellosis eradication program. I understand the 1960 budget estimate for the brucellosis eradication program was $15,538,800. Is that the understanding of the chairman of the subcommittee?

Mr. RUSSELL. The Senator from Minnesota is correct. I had the round figure of $15 million in mind as the estimate.

Mr. HUMPHREY. I gather that the committee added approximately $2,500,000 to that item, as a result of committee action.

Mr. RUSSELL. Yes; the Senate committee went into that matter. The Department seemed to believe that $15 million was adequate, because of the very fine progress which has been made with this program. But the committee had apprehensions as to the adequacy of that fund; and therefore it allowed $2,500,000 over and above the budget figure, so that nothing would happen to this program, which has been making great progress throughout the country.

In a number of States the program has been completed. Of course, it can never be completely closed out until it is completed on a national basis; and I do not know that that could ever be done. I am not that familiar with the nature of the disease.

Mr. HUMPHREY. Of course, the chairman of the subcommittee recognizes that in the fiscal year 1959, $20,556,800 was appropriated for the control of brucellosis.

Mr. RUSSELL. Yes; I am well aware of that. But that figure was increased last year by $5 million.

Mr. HUMPHREY. Let me say most respectfully to the distinguished chairman of the subcommittee, that I have seen no evidence to justify the budget estimate of the Department—namely,

$15,500,000 plus. There are every bit as many cattle. The brucellosis control program has just been getting under full way; and it is one of the most valuable programs we have, from the point of view of public health, as well as from the point of view of herd improvement.

As one who comes from a State which has a very fine brucellosis control program, I am appreciative, of course, of the $2,500,000 increase voted by the committee over and above the amount of the budget estimate. But I say most respectfully that the $20 million which was made available last year was not in excess of the needs; in fact, the needs were even greater than that.

So I hope this year we shall not "put the brakes" on this very effective program, which only just now has begun to operate in the way it really should operate in more and more States. I wonder if the chairman of the subcommittee would be strongly opposed, or opposed in any degree, to considering restoring the sum of money for the brucellosis control program which was provided last year; and if not, I wonder what evidence the Department presented to indicate that the needs will be less in 1960 than they were in fiscal 1959.

Mr. RUSSELL. I do not have before me the specific testimony, but inquiry was made of the Department. In the first place, we asked the Department what it had requested of the Bureau of the Budget. Very often, these requests are cut back in the Bureau of the Budget.

Dr. Shaw, the man charged with the responsibility for this program, testified that they requested $15 million. He further testified:

> Well, I certainly support the view that you expressed. We have got the program on a good going basis and we have an impetus in there to get the job done. I certainly want to keep it that way and get it done. I believe we can do it with $15 million. We would do it somewhat faster if we had $20 million. We can do it with $15 million.

He further testified that the States had increased their brucellosis programs from $12½ million to $17½ million, which was a $5 million increase. So that amount also, is available.

I am of the opinion, though I do not have the detailed figures before me, that the $17½ million would authorize a program of approximately as much as was available last year.

Mr. HUMPHREY. I believe that is correct. With the $2½ million increase which the Senate committee has recommended, plus the amount on the States' side, the sum total of both Federal and State funds would be as much as it was last year. However, at the same time, let me say, more States have entered into the picture and are participating more intensively in the brucellosis control program. So the program is on a broader basis than it was last year.

Mr. RUSSELL. I do not think the Senator is correct about that, because a large number of States have cleaned out brucellosis. Fifteen States now have brucellosis-free certification. That statement applies to some States which have a tremendous population of cattle.

We asked the Department to review the question and keep the committee advised. I can assure the Senator that if the program is impaired because of lack of funds, I shall be glad to include an item for it in a supplemental bill. I believed the committee had discharged its responsibility to a very important program when it increased the budget request by $2½ million.

Mr. HUMPHREY. The chairman of the subcommittee has given me a reassurance that is quite significant; namely, that in the evaluation of this program as to funds required, while the committee has recommended more than the estimate of the budget, if the funds provided are not adequate for carrying out the program of brucellosis control in the areas where there are infected herds, it is my understanding the chairman of the Subcommittee on Agricultural Appropriations will look with favor upon a supplemental appropriation at the appropriate time. Is that correct?

Mr. RUSSELL. I certainly would. I believe that is the view of practically all members of the subcommittee. We are all interested in this program.

Mr. HUMPHREY. I know the Senator is.

Mr. RUSSELL. At the time the subcommittee recommended a $2½ million increase, we had not heard from certain States. We did not hear from some of the States that urged the committee to recommend $20 million until after the committee had already allowed the $2½ million increase.

I want this program to go ahead. It is vital to the health of the people of the Nation, and particularly the most important ones, namely, its children, who consume the major portion of the milk produced.

If there is an impairment of the program because of the lack of funds, I shall be very happy to support a supplemental appropriation.

Mr. HUMPHREY. I may say to the Senator from Georgia, whose record in support of these valuable programs is beyond criticism, and has been exemplary, that the assurance which he has given the Senator from Minnesota and the farmers of the Nation who are in the dairy business is more than adequate.

I merely wanted to raise this point because I am sure questions will be asked as to why funds in the amount of $20,500,000 are not available for this year when funds in that amount were made available last year. As I see it, the total Federal and State funds for 1960 will result in a cumulative total of approximately the same amount as was made available last year, will it not?

Mr. RUSSELL. That is my recollection. I have not checked the figures, but my recollection is that that is the reason why the committee allowed the $2½ million.

Mr. HUMPHREY. I think we ought to pay our thanks to the States for their expanded participation in the program. This is one of the finest programs we have.

Mr. RUSSELL. I wish to thank the States which have increased their participation. There is great disparity in participation in the program as between the States. Some have participated very little. Some have participated to the extent of $2 or $3 for every Federal dollar. The committee asked the Department to undertake to do something to get State participation in better balance.

Mr. HUMPHREY. If the chairman of the subcommittee will indulge me for a few more moments on another item, in reference to the meat inspection service and the responsibility of that service. The subject of meat inspection appears on page 4 of the committee bill. The amount of money recommended by the full committee is $21,324,900.

In my testimony before the subcommittee, I had asked that there be allowed $21,475,000, and I submitted a statement in support of that amount. I believe the amount requested by the Bureau of the Budget was $21,475,000. Is that correct?

Mr. RUSSELL. The Senator is correct. That is the figure which the Senator very eloquently urged before the subcommittee.

Mr. HUMPHREY. The sum the committee recommended for appropriation was $21,324,900.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I realize we are now dealing with a very small reduction, but I wondered what the justification was on the part of the committee.

Mr. RUSSELL. I can explain to the Senator. The sum allowed by the committee will maintain inspection at the same level as at the present time, including the supplemental funds recommended in the budget estimate. There will be no reduction whatever in the service. It will be maintained at its present level. The full amount requested by the Budget Bureau would have increased the inspection service by adding to the force—I have forgotten the exact figure—new inspectors. The committee thought that if the inspection service were maintained at the present level the Department should be able to get by. The amount was increased in the supplemental appropriation, as the Senator will recall. There is an overall increase of $539,000 above the 1959 appropriation.

Mr. HUMPHREY. That includes, does it, the poultry inspection?

Mr. RUSSELL. No.

Mr. HUMPHREY. It does not include poultry inspection, but is strictly for the red meat division.

Mr. RUSSELL. Yes. There is $10.5 million additional for poultry inspection.

Mr. HUMPHREY. As I recall, we separated those two items. As the Senator knows, from time to time I have discussed the subject of meat inspection on the floor of the Senate because of the great interest Minnesota has in meat, considering the number of packing houses located there.

Mr. President, the Committee on Appropriations of the other body has questioned, in its report on the Department of Agricultural appropriation bill, the wisdom of Federal inspection of further processing operations of meat and poultry. "Further processing" is the canning of meat and poultry and the preparation of a variety of meat and

poultry products, such as frozen, precooked dishes.

The Appropriations Committee of the other body declared:

> There appears to be little merit or public health protection from providing such costly inspection services at public expense.

It called the inspection a luxury, and hinted that it was a double inspection.

I respectfully, but strongly, disagree with that report. The inspection of further processing operations is neither unduly expensive nor is it a double inspection. It provides now, and has provided for decades, vital protection for consumers.

The inspection of further processing operations of meat has apparently been a part of meat inspection since the enactment of the Meat Inspection Act more than a half century ago. The Meat Inspection Division of the Department of Agriculture has been able to develop a program whereby an inspector does not look into every pot in which some meat product is cooking, but he is able to provide effective consumer protection.

Poultry inspection, as a new program, has not provided inspection for further processing operations yet. Unfortunately, the administration, playing its budget games, has not asked for appropriations for further processing inspection in its budget request. It is using, as a loophole, a provision in the Poultry Products Inspection Act, which allows the Secretary to make exemptions until July 1, 1960.

As one of the sponsors of legislation which led to the Poultry Products Inspection Act, I can say that the exemption provision was not put into the legislation for that purpose. It was to provide authority for the Secretary to exempt individual firms or small groups of firms when he could not provide inspection before July 1, 1960.

The exemption was definitely not aimed at exempting sizable sections of the poultry industry, nor was it to effect some kind of budget-balancing political strategy at the expense of, and danger to, the consumer.

The current exemption not only hurts consumers; it also harms the industry. Representatives of the industry, as well as of consumers and labor, opposed the use of the exemption provision in this matter in testimony before the Appropriations Committee.

To be sure, meat and poultry are inspected at the time of slaughter. However, this does not make the inspection at the time of further processing either an unnecessary or a double inspection. The inspection of further processing operations provides essential consumer protection.

Were it not for the inspection of further processing, the canning and preparation of meat and poultry products could easily become the dumping ground for such meat and poultry as could not pass inspection. The junk of the industry would go into the preparation of these food products.

Furthermore, meat and poultry are highly perishable products. They can easily have deteriorated between the time of slaughter and the time of the further processing operations. The cooking in further processing would mask this deterioration, but the food would still be undesirable to consumers.

Not only the meat and poultry, but also other products used in the further processing operations are highly perishable. These products may not be wholesome or they may be in such a state as to cause the meat and poultry to deteriorate.

The inspection at the time of further processing prevents or minimizes these dangers to the consumer. Is this type of protection then too expensive?

It is true that the cost of inspecting further processing operations in meat has increased and will continue to increase. But so has the cost of everything in and out of Government.

Actually, the inspection of further processing accounts for only a fraction of the meat inspection budget. And witnesses before the Senate Appropriations Committee urged the approval of $600,000 to cover the inspection of further processing operations in the poultry industry.

Mr. President, I believe that neither the cost of inspecting further processing operations nor the cost of meat and poultry inspection, as a whole, need alarm us. These operations are protecting the health of our Nation. And they are not unduly costly in view of the fact that they are designed to prevent sickness and death among tens of millions of Americans.

Of course, the meat inspection and poultry inspection programs must operate as efficiently and effectively as possible. If there is any waste in the operations, it must be eliminated.

But as I understand the situation, neither the Eisenhower administration, which did not ask for funds for inspection of further poultry processing in fiscal year 1960, nor the Appropriation Committee, which called the inspection of further processing a luxury, made charges of waste. The question is whether there is merit and public health protection in providing such inspection. I firmly believe there is, and I know that my colleagues agree.

As further evidence of the need for the inspection of further processing, I invite the attention of my colleagues to a scientific article, "A Study of Frozen Precooked Foods, Their Sanitary Quality, and Microbiological Standards for Control." This article, which was published in the current issue of the Quarterly Bulletin of the Association of Food and Drug Officials of the United States, discusses bacteriological studies made of these foods.

One of the points in the summary and conclusions of the article is that "poultry products appeared to be of poorer sanitary quality than other foods."

This situation can be remedied if legislation enacted by Congress is implemented. The inspection of further processing of poultry must be undertaken. And the inspection of further processing, long a part of the meat inspection program, must be safeguarded.

I may say to the chairman of the subcommittee, that I have gone into this detail because I have the feeling that the report of the Appropriations Committee of the other body, if left uncontested, would serve to limit the meat inspection program. The purpose of meat inspection is consumer protection. I feel it is important that the Senate, in its deliberations on this appropriation bill, make it crystal clear that the processed products of meat and poultry are included, and that the phrase "further processing" is included under both meat and poultry inspections.

I notice the Senate committee does not take the line which the other body took. I am merely making the record clear, so that the report of the other body will not stand uncontested, because that report violates the history of the meat inspection service, which for years has made inspections of all types of processed products produced by many of our packing houses.

Mr. RUSSELL. The Senator is, of course, aware of the fact that under the legislation which his committee successfully sponsored in the Congress these two inspection services are under different agencies in the Department of Agriculture.

Mr. HUMPHREY. Yes, I am.

Mr. RUSSELL. The language to which the Senator adverts I believe deals with the appropriations for the inspection of poultry.

Mr. HUMPHREY. I refer to the language in the House report.

Mr. RUSSELL. I do not think any issue has been raised with respect to meat inspection.

Mr. HUMPHREY. If the Senator will wait 1 minute, I will check the report.

Mr. RUSSELL. I will say to the Senator that the situation, as it developed in the testimony, was that the House was undertaking to appropriate for poultry inspection, and dealt with this matter from the angle of poultry inspection. It was stated that the money was appropriated for the eviscerating plants, to inspect poultry when killed and first processed, and that the House committee was not concerned as to whether the Department inspected the same chicken again when it was sold to be put into a pie or into some other food product.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. As I recall the testimony, the Department testified that it had the authority to reinspect the chicken, if it were considered wise to reinspect it, when it went to the plant where it was to be put into frozen food, or whatever amalgam of flour and chicken the processor might decide to use.

We have allowed the full amount of the budget estimate.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. So far as I know, there is nothing to prevent the Department from pursuing the inspection of any chicken to the time it reaches the wholesaler, at least.

Mr. HUMPHREY. The Senator's interpretation is my interpretation. I am most grateful for the Senator's comments.

My only reason for including the words "meat inspection" in this whole matter

was that on page 10 of the report of the other body the title used is "Meat and Poultry Inspection," and the entire matter is covered in one section. The reference to the inspection service is made in that one section.

Since I have been keenly interested in this matter for several years, all I have been trying to do is make the record manifestly clear that insofar as the authority of the Department in the field of inspections is concerned it does not necessarily stop in the first instance with the carcass, for example, of beef or pork, nor does it stop in the first instance in the initial processing of poultry, but instead it can go through the processing stage itself.

Mr. RUSSELL. The Senator, of course, is better prepared and more qualified to construe the law than is the Senator from Georgia. The distinguished Senator from Minnesota is one of the authors of the Poultry Inspection Act. I have undertaken to implement that act from the standpoint of the Committee on Appropriations.

I will say that the Senator from Georgia is one of those who thought we might have had these two inspection services in the same agency of the Department of Agriculture.

Mr. HUMPHREY. I think the Senator is correct.

Mr. RUSSELL. I care not in which agency they are, but I think they ought to be in the same agency. In my opinion, the work could be done for $2 million or $3 million less overhead if both the poultry inspection and the meat inspection were done by the same service.

Mr. HUMPHREY. I think the Senator is essentially correct. I believe the trouble we had before the legislative committee was due to a feeling on the part of many of those interested in the poultry business that they might not be given the kind of first-class treatment they ought to receive if they were amalgamated with the red meat inspection service.

Mr. RUSSELL. The poultry processors were very anxious to get under the Agricultural Marketing Service.

Mr. HUMPHREY. That is correct.

Mr. President, I do not care to labor this point any longer. The Senator from Georgia, as is to be expected, has been most helpful and most informative.

I wonder if the Senator from Georgia would have any objection to my asking unanimous consent to have printed at this point in our discussion the study of the frozen precooked foods made by the Department of Health of the City of New York, Bureau of Food and Drugs and Bureau of Laboratories. This is a descriptive report as to what is required for the adequate inspection of processed products.

Mr. RUSSELL. If the distinguished Senator, who is a member of the Committee on Agriculture and Forestry, thinks the study will illuminate the activity of the Department, I certainly have no objection.

Mr. HUMPHREY. It would be very helpful, I think, since obviously the city of New York represents one of the great consuming centers of the Nation. I have found this report to be very helpful, and in fact it was studied at the time we discussed the inspection service.

I thank the Senator very much, and I ask unanimous consent that the study be printed in the RECORD.

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

A STUDY OF FROZEN PRECOOKED FOODS: THEIR SANITARY QUALITY AND MICROBIOLOGICAL STANDARDS FOR CONTROL [1]

(A. E. Abrahamson, Leon Buchbinder, John Guenkel, Milton Heller, Department of Health, City of New York, Bureau of Food and Drugs and Bureau of Laboratories)

With each passing year since World War II, we have witnessed a great, steady increase in the amount of frozen precooked food sold. Not only has the homemaker recognized its value as a convenience but even the military. The Quartermaster Corps of the Armed Forces of the United States has carefully watched the progress of the frozen food industry and has helped it in its many problems in technology. It has established a system of resident inspection, laboratory control, and quality standards, which includes indices of sanitation. Those who do business with the military must meet its standards. Commenting on the current microbiological standards of quality for frozen precooked foods, Rayman, and his associates write (14), "adequate standards will, of course, demand the absence of disease producing organisms, and will take into account environmental conditions consistent with discouraging the growth of microorganisms during production, transportation, and storage of the end product. Inasmuch as precooked frozen foods are generally subject to less thorough heat treatment prior to serving than that given during cooking of fresh frozen products, it will be apparent that microbiological standards for precooked types of food need to be somewhat more stringent and exacting."

Health officials and sanitarians have evinced more than casual interest in the protection of the vast army of civilian users of frozen precooked food. The committee on frozen food standards of the International Association of Milk and Food Sanitarians reported (5) in September 1956, "it is felt that since there is a potential danger in this type of food, some steps should be taken to gather together information to determine whether or not a public health problem exists." This committee's report continued with its laboratory work on samples taken mainly at retail stores of chicken, turkey, and beef pot pies, chicken and turkey dinners, swiss steak, chicken and noodles, and also chicken and dressing. The committee also studied the manufacture of chicken and turkey pot pies. It concluded that "it is the opinion of the committee that this is a potentially hazardous situation needing further attention and action by public health sanitarians."

Several food poisoning cases involving precooked frozen foods, such as chicken potpie, turkey potpie, codfish cakes, and breaded shrimp, have been reported by Abrahamson (1). The examination of these foods by bacteriological techniques disclosed the presence of the types of organisms, in high counts, which are associated with insanitary processing practices.

Thatcher (17) in a discussion of new foods marketed in massive amounts indicated a need for surveillance. He commented, "An alert public health agency ought to be positively concerned about the microbal content of comparatively new forms of processed foods for which it has not yet been possible to estimate their public health hazard based on experience. Any factory which changes the ecological balance of microflora in a nonsterile food presents a potentiality for a modified health and spoilage hazard.

"Food control agencies have a responsibility to be actively interested in the microbal quality of new foods marketed in massive amounts, especially when such foods appear to have received extensive handling during manufacture, and which, in the event of inadequate refrigeration, represent an admirable medium for the multiplication of pathogens and spoilage organisms or for the elaboration of toxins. To illustrate, reference is made to the mass-produced frozen precooked dinners, meat pies, poultry dishes and the like and the growing trend toward the sale of factory stuffed poultry."

A survey of the bacteriological status of a limited number of frozen precooked foods with special reference to chicken a la king by Buchbinder (2) in 1949 revealed total plate counts, coliform counts, staphylococci of the food poisoning type, and enterococci in amounts higher "than reasonable standards would allow." The disclosure of the role of frozen precooked foods in food-borne outbreaks indicated a need for further study of the sanitary quality of these foods.

The department of health of the city of New York, recognized its responsibility and undertook another investigation of this problem by initiating a bacteriological study of a wide variety of frozen precooked foods at both the consumer and subsequently the wholesale distribution levels. This approach was adopted for the purpose of establishing both the sanitary quality of these foods at each level, and to determine if any difference exists in the bacteriological results at these levels as judged by the standards of other workers.

The frozen precooked foods were grouped into five major categories as follows:

I. Poultry products: Dinners, pies, chicken a la king, chopped chicken liver.

II. Meat products: Dinners, pies, chopped liver.

III. Fish products: Dinners, pies, sticks, fillets, cakes, bites.

[1] Presented at 42d annual meeting of the Central Atlantic States Association of Food and Drug Officials, May 29, 1958, at Old Point Comfort, Va.

ASSOCIATION OF FOOD AND DRUG OFFICIALS

TABLE I.—*Samples frozen precooked food taken at retail*

Type product	Poultry		Meat		Fish		Shellfish		Chinese type		Total
Total taken	37		29		62		51		16		195
	Number	Percent [1]	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Total count:											
Less than 50,000 col/gm	25	67.6	21	72.4	54	87.1	39	76.5	11	68.8	150
Less than 100,000 col/gm	25	67.6	22	75.9	58	93.5	43	84.3	12	75.0	160
Staphylococcus coagulase pos.:											
None	29	78.4	27	93.1	57	91.9	51	100	14	87.5	178
Less than 100	29	78.4	27	93.1	59	95.2	51	100	14	87.5	180
Satisfactory: Less than 100,000 col/gm and staphylococcus: None	20	54.0	22	75.9	52	83.9	42	82.4	12	75.0	148

[1] Indicates percent of total taken.

IV. Shellfish products: Shrimp, crab, lobster, dinners, deviled products.

V. Chinese style products: Dinners, chow mein, chop suey, egg rolls.

Beginning July 3, 1957, a total of 195 samples as shown in table I were obtained at the consumer (retail) level. These samples were selected so that as many nationally advertised brands as possible could be included. The criteria established for an acceptable quality of frozen precooked food were: a total plate count of less than 100,000 colonies per gram and the absence of staphylococcus aureus.[2] The samples taken, except poultry products, were found satisfactory by these criteria, in the order of about 80 percent. The major problem appeared to devolve about the poultry products which were found satisfactory to the extent of only 67.6 percent.

All manufacturers whose samples were found substandard were notified that "we have administratively adopted an indicative of an unsatisfactory finding a sample showing a count of 100,000 colonies per gram or more in the total plate count. We feel that the presence of staphylococci (coagulase positive type) indicates human contamination."

Beginning November 7, 1957, all the products and brands involved in the retail survey were sampled at wholesale distributors. Sixty-three brands and types were unavailable at wholesale, mainly private labels.

Table II discloses the results of bacteriological examination of 132 samples taken at wholesale distributors. It will be noted that the sanitary quality in all categories of these foods was of the same general order as those listed under Table I (retail level). Poultry products seemed to be of better quality at this level.

Because of the lapse of time between the original sampling at retail and the follow-up at the wholesale distributor's level, the same lots of frozen precooked foods were probably not obtained. Although there is some statistical variability because of the different phase of the sampling, the findings tend to confirm that control at the source is essential for the assurance of better sanitary quality. These findings furnished no evidence that handling at retail and consumer levels adversely affect a product which had already been contaminated through improper handling during processing. However, it should be stressed that a product clean ab initio, with the absence of organisms of a food poisoning strain, should not pose a problem through subsequent handling. Those samples found substandard at the retail level acquired their bacterial flora during processing. Although counts may increase in some instances, the initial contamination must have been present, since packaging these products for the control of moisture and air, as is the practice, assures against the transfer of external matter to the interior. Studies similar to the foregoing have also been made recently by others. Various microbiological standards or tolerances have been used as the basis for the conclusions which they reached.

TABLE II.—*Samples frozen precooked food taken at wholesale*

Type product	Poultry		Meat		Fish		Shellfish		Chinese type		Total
Total taken	30		23		35		31		13		132
	Number	Percent[1]	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Total count:											
Less than 50,000 col/gm	21	70.0	17	73.9	26	74.3	23	74.2	6	46.2	93
Less than 100,000 col/gm	24	80.0	18	78.3	29	82.9	25	80.6	6	46.2	102
Staphylococcus coagulase pos.:											
None	24	80.0	21	91.3	33	91.7	28	93.3	11	84.6	117
Less than 100	24	80.0	21	91.3	34	94.4	28	93.3	11	84.6	118
Satisfactory: Less than 100,000 col/gm and staphylococcus: None	21	70.0	16	65.2	29	69.6	22	71.0	6	46.2	94

[1] Indicates percent of total taken.

Canale-Parola and Ordal (4) undertook to determine the bacteriological quality of some commercially prepared precooked frozen foods obtained on the retail market. In a preliminary survey, it was found that poultry pies had a higher degree of bacterial contamination than did other types of precooked frozen food. These workers examined five brands of turkey and chicken pot pies before and after baking according to the respective manufacturer's directions, and observed, "The microbiological quality of some brands is consistently good whereas the quality of others is to be questioned. As these products contain microorganisms which have a food poisoning potential, manufacturers should exert every effort toward reducing the actual numbers present by inauguration of improved technological and sanitary measures, and by use of strict quality control procedures. Likewise, further consideration should be given to the baking times supplied on each package." These workers reported, "that of the 40 unbaked pies that were tested, 20 had total counts above 100,000 per gram, and 18 had coliform above 10 per gram. Enterococci were present in all the samples tested and coagulase positive staphylococci were detected in 37 of 40 pies tested." Their studies with baked pies disclosed that the heat treatment during baking as directed is generally insufficient to produce a high enough center temperature to cause much if any destruction of the undesirable organisms.

Benarde (3), who studied the penetration of heating, as directed on the package of frozen precooked breaded and fried crab and oyster cakes, found that it was slow and did not reach levels sufficient to destroy pathogens.

Huber (11) and his associates examined 1,282 samples of meat and poultry products and pot pies bought for military use. It was reported that 86 percent of the samples examined, disclosed counts of less than 50,000 per gram. The present bacterial standard for military purchases of frozen precooked food is less than 100,000 per gram. The writers suggest that "if the present trend continues, this maximum may be revised downward in future specifications." Coliform examination of these samples revealed 94 percent to be coliform free or less than 10 per gram. Military specifications also require frozen precooked foods to have a coliform count of less than 10 per gram. It must be borne in mind that products for the military are produced under resident inspection of the U.S. Veterinary Corps and under controlled sanitary conditions.

In its report, the Committee on Frozen Food Standards of the International Association of Milk and Food Sanitarians (5) has not proposed a tolerance for total plate count for frozen precooked foods but points out "it is felt that the contamination of these products by coliform, paracolons, and other members of the gram negative enteric group of organisms is of greater importance. If the coliform test is to be used as an index of quality, then the only acceptable tolerance would be zero."

Rayman (14), reported the bacteriological examination of 231 samples of frozen precooked meats with 91 percent having plate count of less than 50,000 per gram, and stated that, "for the present we feel that a cutoff point can be established at 100,000 as a bacteriological standard which manufacturers could meet without difficulty."

According to Slocum (15) "food borne infections and intoxications have not decreased in recent years as have waterborne and milk borne diseases. Much of the food borne disease probably results from mishandling at the point of consumption. But it may well be that there is more bacterial contamination of foods shipped in interstate commerce than is generally realized."

DISCUSSION

The decrease in water and milk borne diseases can readily be ascribed to the establishment of microbiological standards and methods followed by enforcement. While some may attribute food borne diseases to mishandling at the point of consumption, the poor sanitary quality of some types of frozen precooked foods as demonstrated by the samples taken at the wholesale distributors level, does not remove these foods from suspicion as capable of producing food infection or intoxication following ingestion.

Logan et al. (13) demonstrated the feasibility of using no new techniques in producing low bacterial count frozen precooked foods on a commercial scale, which is completely acceptable to the consumer. All that was needed was good quality raw material, good sanitation practices, adequate heat treatment and rapid refrigeration.

The results of the bacteriological examination by the Department of Health of the City of New York of 195 frozen precooked food samples are tabulated and compared in table III using the criteria of the U.S. Quartermaster Corps, (14) Litsky and associates (12) and Department of Health of the City of New York (7).

As previously observed, the standards used by the U.S. Quartermaster Corps afford a more stringent basis for bacterial quality control than either of the two herein cited. Actual compliance with these Quartermaster standards by contractors is facilitated by resident inspection and continuous batch control which is feasible under the arrangements for production and sampling at the source. Adherence to such high standards can be justified by the critical purposes which this convenience food must serve, especially during air flight.

The usual mass production and distributing methods required to provide protection for the general consuming public probably does not permit use of the same standards on a pragmatic basis. However, it is believed that the administrative standards of the Department of Health of the City of New York as proposed herein offer more than just a mere compromise. These standards are feasible as shown by the high percentage of conformity except for poultry. Control of staphylococcus aureus should in our opinion be incorporated in any set of criteria for frozen precooked foods at the source. Our findings, which disclose a high level of conformity to a standard of no staphylococcus aureus seem to justify the

[2] NOTE.—Where term staphylococcus aureus is used it is to be understood to be coagulase positive type.

revision of a previous more liberal view (1) to the presence of this type of organism. Of 195 samples taken at retail and 132 at wholesale (total 327) only 32 (9.8 percent) were positive for this organism and were mainly in numbers exceeding 100.

TABLE III.—*Retail samples from New York City judged as satisfactory by 3 different sets of standards*

Type of product	Total samples	U.S. Quartermaster Corps standard		Department of Health, New York City administration standard		Litsky's study criteria	
		Number	Percent	Number	Percent	Number	Percent
Poultry	37	18	48.6	20	54.0	25	67.6
Meat	29	22	75.9	22	75.9	22	75.9
Fish	62	49	79.0	52	83.9	58	93.5
Shellfish	51	38	74.5	42	83.4	43	84.3
Chinese type	16	12	75.0	12	75.0	12	75.0
Total	195						

In a review of bacterial food poisoning, Esselen and Levine (8) observe that "although staphylococci are ubiquitous in nature, most investigators agree that outbreaks of staphylococcus food poisoning can be traced to contamination of the food product by discharge of the nose and throat or by lesions on the hands of those who handle or prepare food." These writers state, "meat and meat products have been implicated in many staphylococci food poisoning outbreaks. Most of the outbreaks have been traced to contamination by humans and to improper care of food." Dack (6) reports, "the obvious opportunities for contamination of food through improper handling or accident and irregularities in processing makes staphylococcal food poisoning an acute or potential problem to all industries that handle food in which staphylococci are able to grow."

Gunderson (10), commenting on the need for sanitation standards in production and processing of frozen precooked foods observed, in the case of turkey meat, "I suppose that if we could set the standard at a count less than a hundred thousand (colonies/gm. total plate count)[3] we would have an extremely high goal." Of 26 turkey dinners and pies examined bacteriologically by the department of health, city of New York 15 (58 percent) conformed to this standard while 16 or (57 percent) of 28 samples of chicken dinners and pies complied. There seems not to be any distinction in sanitary quality between turkey and chicken products from the results of the New York City survey nor much difference from the samples of these products studied by Thatcher (16), wherein 10 out of 18 (56 percent) turkey product samples and 16 out of 25 (60 percent) of these chicken products were acceptable by New York City standards.

In 1957 following an outbreak of food poisoning in the city of New York, involving chicken salad, a study was made to determine the cause and make recommendations for correction of procedures to prevent a recurrence. It was our experience that a cleaner and safer product could be insured by the employment of uncomplicated sanitation procedures. The use of a nontoxic sanitizer on equipment food zones, work surfaces and workers' hands, in addition to terminal heat treatment of hand picked chicken and turkey meat and celery were effective in giving uniformly good bacterial counts and products with good consumer acceptance.

It was found that by placing this hand picked poultry meat in a colander or other perforated vessel, and submerging the contents in boiling chicken or turkey broth for 3 to 5 minutes, followed by draining and rapid cooling of the meat on a perforated pan the bacterial counts are reduced to the order of 4,000 colonies per gram with negative results for coliform, staphylococci and enterococci. The application of this process may well improve the sanitary quality of frozen precooked poultry products without impairing consumer acceptance. The resolution of this problem especially as it relates to poultry products lies in terminal heat treatment as described, or by baking in the case of chicken, turkey or meat pot pies.

[3] Material in parentheses, supplied.

RECOMMENDATION

As early as 1947 Fitzgerald (9), in his article on "How to Control the Quality of Frozen Cooked Food," called for a sanitary code for the industry setting forth as a maximum standard a plate count of 100,000 per gram and an E. coli (M.P.N.) index of 100 (confirmed) per 100 grams.

Bacteriological standards are not recommended for all frozen foods at present, but rather for those which because of their nature may be expected to be a hazard of health or a cause of spoilage. Standards have in the past proved to be the mechanism by which the consumer was protected against infection or consumption of spoiled food. These standards provided a means of estimating inadequate sanitation by which general improvement of quality could be obtained. They afforded a goal to the processor and a yardstick to enforcement agencies. Many authorities agree on the need for standards but not on the particular standards which will be of the greatest benefit to all concerned.

At this time when the question of the need and possible nature of legal standards is being debated, large quantities of frozen precooked foods are being sold, particularly poultry products, some of which are of doubtful sanitary quality.

This problem of sanitary standards requires national standards. A Federal agency, such as the Food and Drug Administration of the Department of Health, Education, and Welfare should set standards. Microbiological standards should be developed at the Federal level both for guidance of industry and consumer protection. The divergence concerning proper microbiological standards for control indicates what may happen if local, State and other agencies feel forced each to establish its own standards.

The department of health of the city of New York notified manufacturers of its laboratory findings following the examination of their products.

Manufacturers indicated their concern, their own findings and a desire to abide by the administrative standards of this department. The results of the survey and the comments of manufacturers give promise that these standards can be met. It seems to us that the enactment of similar legal standards would serve to encourage better sanitary practices and control.

SUMMARY AND CONCLUSIONS

In the city of New York a microbiological study was made of 195 samples of frozen precooked foods of nationally known brands, obtained at the retail level. At this level about 76 percent (including poultry products which conform to the extent of 54 percent were found to meet the Department of Health criteria of less than 100,000 colonies per gram and no staphylococcus aureus. Resamples of the same brands of these foods at the wholesale distributors level were found by similar tests to contain essentially the same ratio of acceptable quality products. Poultry products appeared to be of poorer sanitary quality than other foods. Similar studies have been made elsewhere in the United States and Canada using other criteria. When the department of health data were evaluated by the criteria of others, the results were not significantly different.

It has been shown that a high level of sanitation can be met by industry for the military as evidenced by conformity to the former's high microbiological standards. As Huber (11) stated, "this again demonstrates that sanitary quality control can be attained in the commercial production of precooked frozen foods."

A number of workers in the field are impressed with the need for the establishment of a microbiological standard for these foods but are not agreed on the standard.

This is not a local problem but one of national scope and seems to fall logically into the sphere of actiivty of the U.S. Food and Drug Administration. The standards used in the recent New York City study are recommended for adoption as a starting point for the improvement of the sanitary quality of frozen precooked foods of the types encompassed by the study.

Unless Federal microbiological standards for frozen precooked foods are soon established there is a great likelihood that various and varying levels of standards will be adopted by local and State agencies which may be of some help to the consumer but may not make it easier for the processor.

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Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield further?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I know that what I am about to say is only indirectly related to the amendment to which the Senator from Illinois has referred. Only a few minutes ago I sent one of my staff assistants to my office to bring back to the Chamber a handful of letters out of the hundreds I have received in the past few days. They are available for one and all to see. They are from farm people of Minnesota and relate to the prices of eggs.

Yesterday I went to a delicatessen in Chevy Chase, Md., and bought 1 dozen of what are called random-sized eggs. They are less than large, not large, not extra large; they were simply what may be called basket selection. The price was 75 cents a dozen.

I have received these letters from some of the finest egg producers in the United States. They are getting 15 cents a dozen for medium-sized eggs in Minnesota; 17 cents a dozen for extra large eggs. Yet in Chevy Chase, Md., for what are called random-sized eggs—those are the ones which are called unclassified eggs—the price is anywhere from 65 cents to 75 cents a dozen. For the extra large egg, the kind which is really worth putting on the plate, they buyer will have to pay 70 cents, 77 cents, or 80 cents a dozen, depending on whether he buys them in a supermarket or in a store which stays open to accommodate the trade on Sunday. At the appropriate time in the debate, I intend to read every one of these letters.

I say to my good city friends, many of whom tell me about how the farmers are gouging the Treasury and the public, here are farm producers who have thousands of dollars invested in barns, equipment, land, feed, and fine poultry stock; and what do they get? As of May 22, they were getting 15 cents a dozen for medium-sized eggs. On May 27, in Minnesota, the second largest egg-producing State in the Union, the price for medium-sized eggs was 17 cents a dozen. For grade A—the best eggs—the price was 19 cents a dozen.

I hope some of our good city friends who are listening today will start asking the question: What happened to the difference between 17 cents and 75 cents? The farm people of Minnesota did not get any of it. By the way, there is not much processing to an egg. The only one who does any processing on the egg is the hen, and she is underpaid. If those prices continue, it will be necessary for Congress to pass humanitarian legislation. It is hardly worth the wear and tear on the hen. It seems to me it is about time something was done to correct the situation.

I saw a picture of Secretary Benson in the New York Times of Saturday, May 30. He was attending a meeting of representatives of the poultry industry of New Jersey. I have been writing to the Secretary about this condition since April 1. He announced to these producers that he planned to do nothing. In the meantime, hundreds of thousands of egg producers have been liquidated.

By the way, let me say to the Government that when they start messing around with egg prices, they do not only take on the men who are engaged in agriculture. I suppose a great many men may be handling eggs; but we are getting right down to the point where we are taking on a new adversary, because, remember, the egg money on the farms is virtually the only money which the farm wife has. It is money she sends to her son in college over and above his allowance. It is the egg money which papers the front room. It is the egg money which the mother sends off to the daughter who has just gotten married. It is extra money which she sends to her daughter.

I warn the Government that it is one thing to try to discriminate against the farmer; but, Ezra, you have got yourself a basket full of trouble, because the women are beginning to organize.

These are letters from women in Minnesota—charming, lovely, active, intelligent women. But when they get ready to move on you, Ezra, you had better be on their side.

I am of the opinion that they expect the Government to do something else besides talk about how the farmer is being subsidized. Who does the Senator think is being subsidized? The farmer is getting 17 cents a dozen for eggs in Minnesota. Someone around here is paying 75 cents a dozen. What I want to know is: Where did the 58 cents go? I do not think it went to the farmer. I think it is time we found out. If the Department of Agriculture has nothing else to do, I suggest that it begin to investigate and find out what happened to the 58 cents difference between the hen and the counter. That should not be so difficult.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I understand the leadership plans to have the Senate adjourn early this evening. I wondered if it would be agreeable to the Senator from Georgia to discuss the amendment which I suggested earlier in the afternoon, when the pending business was laid before the Senate. This is the amendment which I have offered:

On page 15, line 25, under "Marketing Service," strike out "$26,306,600," as reported by the committee, and insert in lieu thereof "$26,557,515," for the purpose of allowing the budget estimate on marketing services.

The explanation for the amendment lies in the fact that the act of September 2, 1958, which was passed last year in the closing weeks of the session, extended the responsibility of the Department of Agriculture with respect to the Packers and Stockyards Act.

It will be remembered that both the Senate and the House, in their Committees on Agriculture and Judiciary, had given much attention to the problem of the enforcement of the Packers and Stockyards Act. Testimony from the Department of Agriculture showed that for years it had not attempted to enforce the law set forth in title II against the unfair monopolistic trade practices in the operations of packers. The case was so clear that in the Senate both the Committee on the Judiciary and the Committee on Agriculture and Forestry approved the Senate bill. That bill went to the House. The House Committee on Agriculture had already gone to work on the problem and had reported the Cooley bill. There was no time for any further action. The Cooley bill was sent to the Senate, while the Senate bill was sent to the House. Because the Senate was moving to final action on the bill, the Senator from Illinois [Mr. DIRKSEN], the distinguished minority leader, and I joined in moving that the Senate pass the House bill; and the House bill was passed by the Senate.

The House Appropriations Committee, in passing upon this request of the Department of Agriculture, which now wishes to enforce the packers title of the Packers and Stockyards Act, as well as the stockyards title, made the statement which appears on page 20 of the House committee report, as follows:

> Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the Act from about 1,000 to 2,100. In order to enable the Department to meet this added responsibility, the increase of $250,000 is provided for this year.

That paragraph clearly omits any reference whatsoever to the packer phase of the activity. I wished to call the attention of the chairman of the subcommittee and of the other members of the Subcommittee on Agricultural Appropriations to the fact that on page 1083 of the Senate committee hearings there appears a presentation by the Department of Agriculture of the justification for the increase of $493,000, which it requested, but which the House allowed in the amount of only $250,000. The Senate committee adopted the House action.

In the second paragraph, under the heading "Justification", there appears the following:

> The $493,000 increase proposed in the 1960 budget estimate did not reflect the full amount necessary to carry out the mandatory provisions of this law including the increased responsibilities imposed by the recent amendment. The 1960 budget was limited to an estimate of what is urgently needed and reasonably could be done in that fiscal year in terms of (1) expanded supervision of posted yards, and (2) investigation of unfair trade practices.

The language of the House committee report and the action of the Senate committee in adopting the exact figure voted by the House will be interpreted as a limitation and an exclusion from the

power of the Secretary to conduct the investigations of unfair trade practices.

Observe the next paragraph of the justification:

> Around one-half of the $493,000 requested increase was for extending the program to posting and supervising additional markets and yards, including trade practices at such yards. The balance of the request—

And this is the important language—

> was for continuing the increased emphasis on investigations of trade practices of packers which has been the subject of intensive congressional discussions in the past few years, and which the Department considers to be an urgent matter.

An examination of the hearings held by the Senate Judiciary Committee and by the Senate Committee on Agriculture and Forestry will show that although the Department of Agriculture acknowledged that the enforcement provisions of the Packers and Stockyards Act had not been carried out against the packers by the Department of Agriculture, it never had received the appropriations necessary in order to do it. The Department was criticized because it did not enforce the law against the unfair trade practices and monopolistic practices. The Department's excuse was that it did not have the necessary funds.

So, Mr. President, if Congress does not now give the Department the necessary funds, that will only mean that enforcement of the antitrust laws—as favored by the Senate and as favored by the House, in their respective legislative enactments—will not be carried out.

Therefore, Mr. President, I believe that the distinguished chairman of the Agricultural Appropriations Subcommittee should be willing to accept the amendment and to discuss it in conference.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I yield.

Mr. YOUNG of North Dakota. If I had recalled, as does the Senator from Wyoming, the problem we have had in the past, I would have worked in the committee to increase the appropriation.

I think the House action does put a limitation on the Department of Agriculture. We have been accusing the Department of Agriculture of not enforcing this law. If we deny the Department the necessary funds, no doubt the Department would have a real excuse not to enforce this law.

So I believe we should either increase this appropriation or we should put the enforcement under the Federal Trade Commission, as was proposed last year.

Mr. RUSSELL. Mr. President, I have great sympathy for the view of the distinguished Senator from Wyoming [Mr. O'MAHONEY] and for the view of the ranking Republican member of the Agricultural Appropriations Subcommittee, the Senator from North Dakota [Mr. YOUNG]. Certainly it seems to me that some provision should be made for the investigation of the trade practices of packers, as urged so eloquently by the Senator from Wyoming.

However, I am frank to say that I am not so impressed with the necessity for posting all the smaller stockyards throughout the country, perhaps because I have some knowledge of the activities of the smaller yards, although I am not so intimately acquainted with the activities of the packers.

I should like to help in any way I possibly can, to see to it that the Department has the necessary funds and authority to investigate the trade practices of the packers. But I should dislike to have that accomplished by means of the wasteful expedient of allowing the full amount of the budget estimate, because I frankly do not think the posting of the stockyards in the smaller areas is at all essential.

Mr. O'MAHONEY. Of course the posting of the smaller stockyards is not essential. But it is essential, in the interest of the producers of livestock and in the interest of the consumers of livestock, that in the administration of the Packers and Stockyards Act, unfair trade practices be scrutinized very carefully.

Mr. RUSSELL. I agree as to that; and I am perfectly willing to accept an amendment which would apply the $250,000 to that purpose.

Mr. O'MAHONEY. Then why does not the Senator from Georgia accept the amendment and take it to conference, where the conferees can work out the matter, so it will be clear that the inclusion is to cover the entire jurisdiction of the Department of Agriculture.

Let me say to the Senator from Georgia, before he replies, that I hold in my hand the report made by Representative COOLEY, chairman of the House Committee on Agriculture, which was filed by him to accompany House bill 9020, an amendment to the Packers and Stockyards Act, which the Senate passed, and which is now the law.

In the second paragraph of the report we find the following:

> The Packers and Stockyards Act was enacted by Congress in 1921. The primary purpose of this act is to assure fair competition and fair trade practices in livestock marketing and in the meatpacking industry.

There is the House declaration in the House report of what the intention was.

On page 4 of the same report, under the heading "Changes Made by this Bill," I find this sentence:

> It is designed to amend the Packers and Stockyards Act so as to make it once again an effective instrumentality for the regulation of the livestock and meatpacking industry and for the protection of both producers and consumers.

I may say to the Senator from Georgia that when the Judiciary Committee of this body, after extensive hearings upon this matter, made its favorable report on an amendment to the law, and when that report, in turn, was submitted to the legislative Committee on Agriculture and Forestry, and that committee endorsed the bill, and the Senate then adopted the recommendation of those two legislative committees, it is a forceful statement of the opinion of this body that the meat packers section, title 2, of the Packers and Stockyards Act should be enforced.

Mr. RUSSELL. The distinguished Senator from Wyoming is always forceful. I can assure him I am not undertaking to challenge the statement he makes or the conclusions of the Judiciary Committee or of the Committee on Agriculture and Forestry.

Mr. O'MAHONEY. I appreciate that.

Mr. RUSSELL. I am merely referring to the fact that the appropriation has been increased very rapidly during the past few years, and I think we can put in the bill language which will earmark not less than $250,000 of the increase for the study of these practices and at the same time save $243,000. I agree that is a small amount of money, and perhaps the Senator from Georgia ought not even cavil or discuss such a small amount with one he holds in such esteem as he does the Senator from Wyoming. But let me point out that in 1956 the amount appropriated for this purpose was $652,105. In 1957 it was increased to $774,566.

Mr. O'MAHONEY. Is the Senator from Georgia aware of the fact that a Secretary of Agriculture by the name of Jardine many years ago deliberately issued an order by which the enforcement of the act by the Department of Agriculture was stopped?

Mr. RUSSELL. I was trying to give to the Senator the figures showing how this appropriation had been increased.

In 1958 the Senate increased the amount by $105,000, to $879,500.

In 1959 the amount went to $940,149.

The amount now in the bill is $1,327,000. It is a very substantial increase over the appropriations which have been granted heretofore. We have increased these appropriations right along.

I think we would be in a better position, I may say to my distinguished friend, to go into conference with the other body and say, "The trade practices of the packers never have been investigated. Congress passed a law. Therefore, we have provided that not less than $250,000 of this increase shall be used for that purpose."

That would come nearer to getting the job done than would merely increasing the amount by the whole $500,000, because, I may say, the House at times entertains the ungenerous sentiment that the Senate is entirely too prodigal in spending money for activities of which it does not approve. The Senate might fare better eventually in this item by putting in the bill language which earmarked the $250,000 for this purpose.

Mr. O'MAHONEY. I appreciate what the Senator has to say about the conference between the House and the Senate in matters of this kind, but I am very fearful that the suggestion which he makes would result in curtailing the posting of stockyards which ought to be posted, and would not produce an effective enforcement against unfair trade practices.

My suggestion to the Senator was based upon the thought that if he took the figure to conference, then the two Houses might agree in conference upon a proper figure in which both of these activities would be given equal considera-

tion. If the Senator is not willing to accept the $250,000 figure which I offered merely because it was in the budget, what would the Senator say to an increase of $150,000?

Mr. RUSSELL. I do not like to be compelled to horse trade with my distinguished friend from Wyoming, but if the Senator from Wyoming knew how long and arduously the Senator from Georgia had labored to keep the regular part of this bill $5,859,000 under the budget estimate, he would appreciate the fact that the budget had to be trimmed somewhere.

Mr. O'MAHONEY. I know that.

Mr. RUSSELL. But to show my great esteem for the Senator from Wyoming and to assure him that I will endeavor to see that some funds are available to carry on a satisfactory investigation of trade practices of packers, the Senator from Georgia would be willing to be overpersuaded to the extent of $120,000 over and above the committee figure.

Mr. O'MAHONEY. The offer is taken.

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

Mr. RUSSELL. I yield to the Senator from Ohio.

Mr. LAUSCHE. I listened with interest to the discussion between the Senator from Georgia and the Senator from Illinois——

Mr. O'MAHONEY. Mr. President, will the Senator pardon me?

Mr. LAUSCHE. The Senator from Georgia may withdraw the acceptance of the proposal of the Senator from Wyoming.

Mr. RUSSELL. No; I do not do that.

Mr. O'MAHONEY. If the Senator from Georgia will yield, Mr. President, I ask to change my amendment so that instead of an increase of $250,000, the increase will be $120,000, as suggested by the Senator from Georgia.

The PRESIDING OFFICER. The Chair may inform the Senator from Wyoming that there is before the Senate an amendment pending, which has been offered by the Senator from Delaware [Mr. WILLIAMS]. It would not be in order at this time to take up the amendment of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, my amendment has not been printed, so, since action on the bill will not be completed tonight, I will have my amendment printed in its modified form. So I shall not ask for action at this time upon the amendment.

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

Mr. RUSSELL. I yield first to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Georgia made the statement that the borrowing power of the Commodity Credit Corporation would have to be increased. Would the Senator from Georgia explain why it would have to be increased?

Mr. RUSSELL. I do not mean by that statement that there is any compulsion to do so. Congress can refuse to increase it. However, under the farm program as it stands, the Bureau of the Budget has stated that under the present support program it will be necessary to increase the borrowing authority during the next year in order to have adequate funds to lend on the commodities which will be produced. I am sure the distinguished Senator heard the discussion as to the probable increase in the quantity of corn, as an example of one of the crops on which loans will be required.

Mr. LAUSCHE. What is the borrowing power now?

Mr. RUSSELL. My recollection is that it is now $14,500 million.

Mr. LAUSCHE. With that $14,500 million limitation, the Corporation would not have enough funds to lend and to finance the transactions which will be necessary under the increased production which will take place in 1960?

Mr. RUSSELL. That was the finding of the Department and of the Bureau of the Budget, according to my information.

Mr. LAUSCHE. By how much has it been suggested the borrowing power will have to be increased?

Mr. RUSSELL. To date there has not been announced any specific amount.

Mr. LAUSCHE. Then the need for increasing the borrowing power has a relationship to the fact that we will have about $11 billion worth of surplus foods in the bins and storage houses in 1960.

Mr. RUSSELL. Food and fiber.

Mr. LAUSCHE. Yes. It does have a relationship.

Mr. RUSSELL. It does. I will say that the purposes of the support program have been somewhat twisted. For example, we passed a bill last year in which we provided two different loan values on the same commodity. Of course, when one becomes involved in something like that the higher loan value is obviously a form of subsidy to the borrowers who conform to a certain program announced by the Department of Agriculture.

The purposes of the farm support program, which, originally, were to maintain all prices at a certain level, have been largely abandoned, I will say to the distinguished Senator, in the face of these surplus accumulations.

Mr. LAUSCHE. I understood the Senator from Georgia to say that in his opinion the price support program has practically reached such a magnitude that it has run away from the possibility of being controlled in an intelligent and reasonable manner.

Mr. RUSSELL. Whatever may be the reason—whether it be administration; the advances of science, as some claim; the beneficence of heaven in providing good weather, as still others claim; the maladministration of Ezra Taft Benson, as a great many people think—the farm support program is certainly all out of hand. I think that is the statement the Senator from Georgia made.

Mr. LAUSCHE. I ask the Senator from Georgia to refer to the document issued by the U.S. Department of Agriculture which shows the aggregate cost of the price support program to be $15,725,000,000, with some Public Law 480 items and other items in it, as the Senator from North Dakota [Mr. YOUNG] has suggested.

I invite the attention of the Senator from Georgia to the years 1942, 1943, and 1944, years of World War II. I notice we had a price support program of $619,000,000 in 1942. That is the total figure shown at the bottom for 1942.

Mr. RUSSELL. Yes.

Mr. LAUSCHE. Is the Senator able to tell me why we had a price support program during the war years which cost us money, when we did not have enough food for the public to buy? Why was the price support program in force at that time?

Mr. RUSSELL. I can give the Senator my recollection. I think it was because we had a price ceiling on foods. Foods could not sell for more than a certain price, and we had price controls at that time. In order to maintain the level of the price controls, or the ceilings which had been imposed by law, these funds were used to make subsidy payments to the farmers, so as to get the farmers to produce and to sell below the price which they would otherwise have received, and thus to hold the line on the wage scale.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. The program applied to the dairy commodities and to pork. The farmers were given subsidy payments, but really it was a subsidy to the consumers.

I think the Senator from New Mexico [Mr. ANDERSON] could explain it better than anyone else.

Mr. LAUSCHE. During the war years the subsidies were paid to influence the farmers, or to induce the farmers to plant and grow crops.

Mr. RUSSELL. In the case of certain commodities, largely dairy products but also meats to a degree, that was true. The Senator from New Mexico [Mr. ANDERSON] knows a great deal about this subject.

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

Mr. RUSSELL. I yield.

Mr. ANDERSON. This money was not only used for the purposes mentioned, but also was used to direct the production of certain crops.

The very first item was to direct the farmers away from the production of cotton into the production of soybeans. Afterward people said, "You farmers did not plant cotton," but the cotton was not planted because there was a response to the patriotic appeal to plant soybeans.

Mr. RUSSELL. The farmers were paid, I believe, some subsidies for flax and ramie and products in short supply when the ordinary markets were closed to us. These subsidies were to induce the production of commodities necessary for the war effort.

Mr. ANDERSON. Mr. President will the Senator yield again briefly?

Mr. RUSSELL. I yield.

Mr. ANDERSON. The Senator has mentioned flax. As a matter of fact, it became my responsibility to try to get some linseed oil from Argentina. It was

an impossible situation, and Argentina would not do a thing about it. We appealed to the American farmers to produce flax in unprecedented quantities. We fixed the support price at $6.25, I believe, though it might have been $5.75. In any event, the price was sufficiently high so that there was a tremendous production of flax, and immediately the doors of Argentina opened and quantities became available to supply the linseed oil for the industries of this country.

The subsidy program in many ways reduced other costs. For example, linoleum prices would have been much higher if it had not been for the production of the flax for the linseed oil. The cost of paint would have been higher. We got a great deal of help from this program in holding the price line for many other commodities. The farmers were charged with the cost of it, but the farmers did not get all of the money.

Mr. RUSSELL. It was a consumer subsidy as a part of the overall war effort, to preserve the level of prices at the time we froze prices by law.

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

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I should like to ask the Senator from Georgia if I am correct in my understanding that under the present appropriation bill the general citizenry, the taxpayers of the United States, should expect no relief from the huge cost of the subsidy program, as envisioned either by the Congress or by the Department of Agriculture?

Mr. RUSSELL. Mr. President, I do not know that I said exactly that. I said that if the existing laws remain on the books and if the present policies are followed I see no hope of ever reducing these costs.

For example, there has been mention of corn. The amount of corn which the Government will have under loan this fall, in my opinion, will be staggering. An immense sum of money will be involved. What will we do with the corn? If the corn is used for feed, it will bring down the price of pork, beef, and poultry products. The prices of poultry have gone so low in the past few weeks that it would be difficult to get them any lower.

My statement is predicated on the assumption that there will be no change in the present laws or in the policies which obtain at the present time in the Department of Agriculture.

Mr. LAUSCHE. The appropriations recommended are based upon the assumption that neither the Department of Agriculture nor the Congress will do anything to bring down the cost to the taxpayers of this huge program of price supports?

Mr. RUSSELL. I will say to the Senator from Ohio, the figures we have presented are based on estimates of losses already incurred. My statement was that I feared the losses would be as great or greater next year, if there is no change in the policies.

Mr. LAUSCHE. The prospects are that the losses will be greater?

Mr. RUSSELL. Yes. That will be true in the case of wheat. It will be true in the case of corn. I fear it will be true in the case of cotton under the split-price system to which we have agreed.

Mr. LAUSCHE. Based upon his broad experience, does the Senator from Georgia feel that it is a narrow estimate of the surplus or a liberal one, when we say there will be $11 billion worth in the bins in 1960? Is that a conservative or liberal approach, in the Senator's opinion?

Mr. RUSSELL. Of course, there are so many imponderables, such as weather and many other things, it is impossible to say. If we have a good crop year, I think the surplus in 1960 will be staggering. That is my own judgment.

Mr. LAUSCHE. Yes. I will ask the Senator from Georgia a further question, and then I shall be through.

Mr. RUSSELL. The surpluses are already staggering, but they will be almost beyond comprehension.

Mr. LAUSCHE. Yes. When we had acreage controls with high supports, did we solve the problem at all by that program of subsidy?

Mr. RUSSELL. Mr. President, I know of no way one could answer that question categorically with any assurance of being correct. It has always been my view that if supports were kept at a reasonable level—which might be considered high by some persons—then, by reducing production something could be done to maintain farm income, and to make supplies available at a reasonable cost. The cost of the raw commodity in this day of fancy processing is a very small element in the final cost of almost any commodity when it gets into the hands of the consumer.

The difficulty, as I see it, has been the unwillingness of Secretary Benson to try any program but his program, which looks to the elimination of all price supports.

We passed a bill which provided for trying out a new program for wheat, which program, whether it worked or not, would be of some benefit. There would not have been a great deal of stored wheat under that program. We are spending $1 billion a year for storage alone.

Mr. YOUNG of North Dakota. And interest and carrying charges.

Mr. RUSSELL. That is a great deal of money to pay for handling, storage, and interest—carrying charges.

Mr. LAUSCHE. That is $3 million a day.

Mr. RUSSELL. Yes; $3 million a day for carrying charges and storage.

We tried to apply a two-price system to wheat. There was nothing particularly new about it. We went back to what was known as the old McNary-Haugen bill of 30 years ago or more. It was substantially the same. It was projected on the same philosophy. There were many little nuances and differences in application, but, fundamentally, it was the old McNary-Haugen domestic allotment and export debenture plan.

But that bill was vetoed. The administration and the Department of Agriculture have not been willing to accept a thing unless it looked to the fulfillment of Mr. Benson's idea of no supports, and turning the farmer loose, as he says. That is where we get into controversy. The farmer can afford to be turned loose better than anyone else in the economy, if we turn everyone else loose at the same time. But he cannot exist in a world of artificiality in every other phase of our economic life if he is the only man who is turned loose. That means he is in the squeeze.

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

Mr. RUSSELL. I yield.

Mr. LAUSCHE. I am grateful to the Senator from Georgia for his replies to the questions which I asked.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield before proceeding to another subject?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. The Senator from Ohio left the impression that the Government would have about $11 billion worth of grain in its bins. That is the total amount of the loans, many of which have been paid. The greatest carryover of wheat that is expected is 1,300 million bushels. The corn carryover this year would be about the same amount, together with some other grains.

Mr. RUSSELL. There is some cotton involved, also.

Mr. YOUNG of North Dakota. As the Senator from Ohio says, there is about $11 billion worth of grain in the bins.

Mr. LAUSCHE. But that is a potential cost if the farmer decides to abandon it as a loan, and to let the Government become the purchaser.

Mr. YOUNG of North Dakota. That would be true if none of the loans were redeemed. A large percentage of them are. The Government would not have anywhere near that amount of grain in default.

Mr. LAUSCHE. I cannot help but feel rather strongly that, after 25 years of the efforts of Congress, by controls planned to be diverse, but in the end being in principle identical, we have failed to solve this problem. It was contended that by means of controls a balance would be developed between reasonable consumption and production. After 25 years of experience, today we are in a worse position than we were when we started.

The Senator from Florida [Mr. HOLLAND] has made the statement that all the programs have worked substantially well except the price support program. I recognize that we cannot suddenly pull out, but I am also firmly of the opinion that we cannot continue to subsidize to the extent we have been subsidizing without producing ill results.

I have listened to such statements as, "Let us work on the problem. We will come up with something." We have worked for 25 years, and nothing has come from our efforts. We are sinking deeper and deeper into the mire. I agree with the Senator from Georgia; since we are subsidizing the merchant marine, the airlines, the metal producers, and the truckers on the highways—and the railroads are now asking for a subsidy—I suppose we must subsidize all up and down the line.

I was at the airport in Cleveland on Friday morning. The supervisor of limousines said, "Senator, I want you to do something for me." I said, "What is it?" He said, "I want you to get the Congress to pass a subsidy for limousine supervisors, but for no one else."

That statement was far graver to me than it was to him. There was this little man, with his uniform and his taxicab director's cap. He is beginning to say, "You are subsidizing every one else." He as much as said, "I am paying the bill."

From the standpoint of Ohio, the farmers are sick and tired of the Congress trying to tell them, "We have the Utopia. We will provide the formula." We have tried for 25 years, and we have produced nothing. We are worse off than when we started.

I thank the Senator from Georgia. I know of his deep interest in creating stable economic conditions. My remarks are not directed at him, because I know of his legitimate and honest objective in trying to establish stable government.

Mr. RUSSELL. I am sure the Senator's remark was not directed at me when he made his eloquent statement about the Congress promising the farmers Utopia. I was completely exculpated. I have never promised them Utopia. I have never known where to find it in the farm program. However, I think it behooves us to try to see that the farmer enjoys some of the blessings of this modern-day civilization.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG of North Dakota. I can understand the concern of many people over the cost of the programs and how they are being operated. Some of them are not operating as successfully as they should. However, the alternative of no price support program whatever would be immeasurably worse. We would have a bankrupt agriculture today if it were not for these programs. Until we find a better means of assuring some semblance of fair prices to the farmers of America, we would be doing a disservice to all the people of the country if we were to let this important segment of our economy lose its purchasing power, as happened only a few years ago.

Mr. RUSSELL. Mr. President, I do not desire to prolong this debate unnecessarily. The Senator from North Dakota is exactly right.

Whatever our difficulties may be, our country is the only country in the world which is struggling with the problem of too much to eat and too much to wear. We should thank God that we alone, of all the countries of the world, do not have the problem of too little to eat and too little to wear. We have a very grave problem today. We are indeed fortunate in having too much to eat and too much to wear, rather than having to face the problem with naked backs and empty bellies.

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

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I wish to salute the Senator from Georgia for his statement. I have often thought that as we complain about the abundance of our great agricultural economy, and sometimes register public criticism, we should think of what Mr. Khrushchev would do with such an abundance. The aim, the hope, and the ambition of the Soviet leaders and of the leaders of Communist China is to be able to design an agricultural economy which will come even close to approximating the agricultural abundance of the United States. The one thing in which the Soviet leaders must always admit they are behind the United States is agricultural production. Our problem, apparently, is the abundance of our farm production.

I am of the opinion that that abundance can be well used if we design the proper programs for oversea utilization and for utilization here at home. I see on the floor the Senator from Kentucky [Mr. COOPER]. He comes from a State which has been beset with grave problems because of difficulties in the coal industry. The two distinguished Senators from West Virginia have addressed the Senate again and again about the problem of the needy people in their State.

Perhaps some day—and I hope it will be in this session—we will adopt a food stamp plan, so that an American citizen who, through no fault of his own, finds himself incapable of meeting some of his immediate needs in providing for his family, can walk into a grocery store and have made available to him our abundant agricultural production, through the use of food stamps, and in that way can take home to his family some of the products about which we complain, but processed and ready for use.

That can be done. However, what happens when we propose such plans or introduce bills providing for such plans? What happens in the Department of Agriculture and in the Bureau of the Budget? The word comes down, "No." They run the mimeograph machines and complain about the abundance. They never turn on the brains and figure out how to use the abundance.

I do not mind an administration which puts on the stop light or the go light. I complain about the amber light—that period betwixt and between—which shows that the administration has not made up its mind as to what it wants in an agricultural policy, except to say, "Let things get worse." That they are, Mr. President. Thank goodness we have some programs in effect.

I see on the floor the Senator from North Dakota [Mr. YOUNG]. He has been one of those who have favored a sound policy. Had the administration listened to his advice about wheat, cereal grains, and feed grains, and if it had listened to the voices of some of the rest of us as to other commodities, in my opinion, the situation would be considerably better for the taxpayers and for the consuming public.

Speaking of the consuming public, I should like to say that if the present trend continues, with fewer farmers on the land and fewer farms, and with more absentee ownership and more corporate farms, the day is not far distant when the American consumer will be faced with a kind of factory farm with hired hands, and then Mr. Hoffa and others will move forward and organize the farmhands. When that day comes I can see editors and editorial writers—and I say this most respectfully—who have a little difficulty differentiating between a petunia and a good field of corn, saying, "If only we had the good old days back again, when we had the family farm."

I say that because if conditions continue as they are there will be more processing companies. That is the situation today in the poultry industry. The poultry feed industry now has control over farmers as though they were hired hands. Thousands and thousands of birds on the huge poultry farms and on egg farms are controlled by them, and the farmer owns nothing, apparently, but the privilege, if we can call it that, or the right of raising the chickens. The feed is brought in, and the farmer does not own the chickens, and he does not own the eggs. He is a hired hand on his own farm.

I do not like that condition. It is not in the pattern of American agriculture. More of that will produce not lower consumer prices but higher consumer prices by far. It will change the pattern of the American countryside. I am thinking of towns in North Dakota which the Senator from North Dakota and I know, and some towns in Minnesota that he and I know, where there are schools and churches and Main Streets and baseball parks and small clubs. Those little towns are the heartlands of America. In some cases those towns have become ghost towns. I know of literally hundreds of farm families, right around one of our cities in Minnesota, who have left the land, and farms are becoming bigger and bigger units, with fewer and fewer farmers.

I say to my friends who are on Main Street that that is the situation with which we are confronted. I ask them: Who is going to buy the merchandise, who is going to support the school? Who is going to take care of the churches? Who is going to support the community clubs?

Oh, Mr. President, apparently everybody is going to move to Cleveland, to Minneapolis, to Chicago, to Buffalo, or to Rochester—I say that to the Presiding Officer [Mr. KEATING in the chair]—or to Louisville. However, I should like to point out that the problems for the cities grow worse and worse. Financing become more difficult. Sanitation and police protection become more difficult. Juvenile delinquency problems increase, so far as the younger element is concerned, and the problem of jobs for the older people becomes more difficult. All that some people can think of is, "Well, the farmers ought to be more efficient." Apparently we have made them so efficient that the inefficient Department of Agriculture does not know what to do about the problem. A good farm program can do something about it.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG of North Dakota. I appreciate the comments of the Senator from Minnesota. He is absolutely correct. The farmers are receiving less today for their basic commodities—wheat, corn, cotton, dairy products, and almost everything they produce—than they did 10 years ago. That is something that I am sure few consumers realize, namely, that the farmer is receiving far less today for all these commodities than he received 10 years ago. I do not know of any industrial producer who is receiving less today than he did 10 years ago.

Mr. HUMPHREY. The Senator knows that whenever we read about farmers today, we read about someone getting a price support loan of $250,000, or something like that; or about someone putting his cousin's golf course under the soil bank. Of course there will always be a few thieves. There will always be those who will disobey the law. However, they are not the general run. There are always some who want some special privileges.

We do not condemn the entire banking structure of the country—the independent banker, the small banker in our hometown—because a big bank has pulled a fast deal. A few of them have, of course. We are proud of our banking system.

We do not condemn the whole business structure of America because there happen to be some pretty big businesses, and because some of them take advantage of the market, for example.

I wonder why Members of Congress are not so irate at some airplane companies for overcharging the Federal Government on defense planes as they are about some farmer getting an overpayment. It is interesting that the General Accounting Office should reveal that some of the large manufacturing establishments have actually overcharged the Government of the United States. When such a revelation is made, hardly a ripple goes through Congress. However, if a farmer leases his land under the soil bank, and gets a large payment, it becomes the subject of a great big investigation.

I hope Senators will not misunderstand me. That is wrong. An overpayment is wrong. I certainly do not wish to justify any wrongs. I do not justify one wrong because someone else does another wrong. All I am asking is that we take the same look at the agricultural program. By and large, without the program, bad as it is, the situation would be incredibly worse.

Mr. COOPER. Mr. President, I offer an amendment.

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

Mr. RUSSELL. I do not object to the Senator sending his amendment to the desk. I understand that the pending amendment is the amendment offered by the Senator from Delaware [Mr. WILLIAMS.]

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from Delaware.

Mr. COOPER. I send my amendment to the desk and ask to have it printed, together with the statement, attached to it, which is a justification of the amendment. That statement appears at pages 1087 and 1088 of the hearings.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, the statement will be printed in the RECORD.

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

FOREIGN AGRICULTURAL SERVICE SALARIES AND EXPENSES

"The budget estimate provides a total of $7,421,300 for the operation of this activity during the coming year. Of this amount, $4,268,300 is requested as a direct appropriation and $2,593,000 is requested as a transfer from section 32 funds. In addition, the use of $560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

"The committee recommends total funds for fiscal year 1960 of $7,321,300. Of this amount, $3,518,300 is provided by direct appropriation, $2,493,000 is provided by transfer from section 32, and $1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the committee feels that they should be used for a greater part of expenses of the Foreign Agricultural Service operations than heretofore" (House Rept. (p. 21)).

JUSTIFICATION

Use of foreign currencies in lieu of appropriated dollars: The House action in reducing the estimate for appropriated dollars by $750,000 and increasing the limitation on foreign currencies by $750,000 proposes the use of foreign currencies for expenditures which as a practical matter can only be made in dollars. The Department is in agreement with the principle of utilizing foreign currencies to the maximum extent practicable. However, when the necessary requirements of the Service are considered along with the currencies which are available in particular countries, the use of currencies to the extent contemplated by the House action would be impracticable.

This is illustrated by the following:

1. Only 31 of the 53 foreign posts are located in countries having Public Law 480 agreements. In several of these countries the agreements were in small amounts and currencies have all been utilized. In some others the amounts available are not sufficient to carry programs beyond 1960.

2. The foreign funds provided for market development under section 104(a) of Public Law 480 amount to less than 2 percent of the total receipts of foreign currencies resulting from the sale of surplus commodities under title I on Public Law 480. All available funds have been allocated in some countries, where market development work can be most effective. Uses by other agencies are taking all of the funds in some other countries. For example, in section 104(h) Congress gave the Secretary of State a priority in each country for funds up to $1 million a year for a period of up to 5 years for the international exchange program. In several countries where large amounts of funds are available, only limited market development activities or other agricultural attaché work is feasible at this time, for example: Indonesia, Yugoslavia, and Poland.

3. Foreign currencies can be used for only a limited part of the needs of the Service. To use foreign currencies for other costs would reduce the effectiveness of the operation by limiting the areas in which work can be done or by limiting the conditions under which it could be carried out. Foreign currencies are not "available in large amounts" to FAS in most of the countries in which the work is carried out.

4. If the foreign currencies authorized cannot be made available in countries where they can be used, a serious situation would develop which could not be met without further action by the Congress.

5. The increasing use of foreign currencies seriously complicates administration and increases administrative costs. Using a different currency in each country with constantly changing rates of exchange and with varying acceptability for payment of obligations, imposes serious and costly administrative problems.

ADDRESS BY SUPREME COURT JUSTICE WILLIAM O. DOUGLAS ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

Mr. HUMPHREY. Mr. President, one of the most articulate and forthright defenders of our civil liberties as guaranteed to us in the Constitution of the United States is Supreme Court Justice William O. Douglas. His speeches, his writings, and most important of all, his great decisions on questions of civil liberties, have been an inspiration to all of us who cherish our American freedoms.

In view of the attacks which have been taking place in the past several months on the U.S. Supreme Court and on its decisions, I think it is well that we take a good, hard look at exactly what is the role of the Supreme Court under our form of government. Justice Douglas in his recent speech at the Columbia University Law Review dinner attempted to do just that.

I ask unanimous consent that Justice Douglas' excellent address, as it was published in the Columbia Law Review of February 1959, be printed in the RECORD at the conclusion of my remarks.

There being on objection, the address was ordered to be printed in the RECORD. (See exhibit 1.)

Mr. HUMPHREY. Mr. President, I wish to note one paragraph in particular of Justice Douglas' fine speech:

> Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs.

It would be well, in my judgment, for those who have made such vicious attacks upon the Court to make a careful study of these words of Justice Douglas:

EXHIBIT 1

ON MISCONCEPTION OF THE JUDICIAL FUNCTION AND THE RESPONSIBILITY OF THE BAR

(Justice William O. Douglas [1])

While being interviewed recently by students in Washington, D.C., I was asked by a serious looking young man: "What is the attitude of the Court these days toward labor?" I was rather surprised by the question since it seemed to assume that judges sit not to dispense justice but to administer their prejudices.

Any American court is supposed to be pro-1st amendment, pro-4th amendment, pro-5th amendment, pro-14th amendment, and so on, for it is the Constitution that judges are sworn to defend. But it is somewhat shocking to hear that American judges

[1] Associate Justice, Supreme Court of the United States. This article is based on an address prepared for delivery at the annual banquet of the Columbia Law Review on April 3, 1959.

are expected to be pro or against anyone who stands before them for justice.

The legislature of course passes laws that favor or disfavor certain groups. Judges who enforce these laws according to their terms, however, cannot fairly have attributed to them the partiality of those who passed the laws. It is the very essence of a government of laws that the predilections of judges not carry the day, and that the law as written by the lawmakers be applied equally to all. This I had assumed to be elementary. I had likewise assumed that the provision of our Constitution have the same scope for everyone. But after being questioned by the young student and after reading some commentators who proclaim that at least in security cases the courts should use an abbreviated form of due process of law, I wonder whether the hysteria of a few has not made new demands on us. I recall Hutheesing's description of a trial of so-called counterrevolutionaries in Communist China.[2] The victims stood with their eyes to the ground and their hands behind their backs. Long streamers hung over their shoulders proclaiming them to be criminals and traitors. The prosecutor's address was interrupted by the crowd which clamored for retribution. When the prosecutor finished the people shouted for the blood of the victims. They even threw eggs, tomatoes, and stones at the accused. And the defendants were given no chance to reply to the charges. The governing principle was that those whom the public condemns the judges should execute. Certainly, that is not the kind of justice America wants even when the courts deal with people as despised here as "counterrevolutionaries" are despised in Communist lands.

Early in our history, John Marshall, presiding over the trial of Aaron Burr, deplored "any attempt * * * to prejudice the public judgment, and to try any person * * * by public feelings, which may be and often are artificially excited against the innocent as well as the guilty. * * * A practice not less dangerous than it is criminal. * * *"[3] This is a lesson in Americanism that needs to be taught many times over.

It is difficult at times for people to realize that the despised minorities in our midst are entitled to equal justice under law. It is easy to take the accusation as the proof and to condemn without more those who are charged with such unspeakable crimes as sedition or espionage. Yet we know from experience that if shortcuts are taken as to some citizens, a precedent is established which lowers the moral tone of the law and degrades it. Other minorities become the next victims as the breakdown in our safeguards and gurantees continues.

These safeguards and guarantees are designed to protect the citizen not only against mobs, but against government itself. Procedural due process gives protection to the citizen against overreaching officials. Abuse of power by government is an ancient evil. Those who drafted the Constitution and Bill of Rights had personal experience with attorneys general, public prosecutors, and even judges who were willing to take shortcuts to carry out the will of a king. They knew as well that a majority in a democratic society could be as tyrannical as any king. Our procedural safeguards were interposed, therefore, to prevent overreaching by officials, to immunize trials from public hysteria, and to make the public trial in America a calm, objective affair, not a spectacle.

These days there is occasional derision of judges who insist on a meticulous observance of these safeguards. I have even heard a few lawyers say that decisions requiring the observance of procedural safeguards when so-called subversives were at trial exalted technicalities to the detriment of the security of the Nation. Thoughtful lawyers never indulge in that pastime; they never downgrade procedure to technicalities. Lawyers before everyone else know that procedure is the touchstone of our free society, that it is the very essence of due process. In the words of one of our greatest lawyers:

"At the foundation of our civil liberty lies the principle which denies to government officials an exceptional position before the law and which subjects them to the same rules of conduct that are commands to the citizen. And in the development of our liberty insistence upon procedural regularity has been a large factor. Respect for law will not be advanced by resort, in its enforcement, to means which shock the common man's sense of decency and fairplay."[4]

Courts in recent years have had to make many rulings on matters of procedure in cases involving the so-called subversive. Should the regulations of an agency be suspended and the agency allowed to act lawlessly merely because a so-called subversive is involved? Should the presumption of innocence be denied those who are alleged to have committed offenses against the security of the Nation? What kind of notice should a citizen have before he is charged and convicted of contempt either of the courts or of Congress. Contempt is a criminal offense. Should that notice be as definite as the notice or warning required in the case of other crimes?

Notice is deeply embedded in our concepts of due process both where liberty and where property are involved, but there is sometimes pressure to lower the standard when security cases are before a court. Arthur Krock, in commenting on one of these cases, said:

"The only 'remedial legislation' Congress could supply in a situation like this would have to be: (1) a date for compliance must be that intended by a committee, even if it was not conveyed to a witness, or not conveyed unmistakably; (2) whenever a committee cites a witness for noncompliance on a certain date, the courts must accept that action as sufficient proof the witness perfectly well knew what the date was.

"The absurdity, not to mention the unconstitutionality and tyranny, of such a statute, is as obvious as the prospect that Congress would never pass such legislation."[5]

There can be no more important case before any court than one involving the security of the Nation. Yet security cases were occasions for such great oppression in days before our Constitution that the framers established special safeguards for their prosecution. Treason—the most heinous of all crimes—has a peculiarly high standard of proof written into article III, section 3 of the Constitution. The definition supplies a "hard test"[6] in order to avoid the evils of prosecutions for such illusory and dangerous charges as "compassing" a ruler's death.[7]

The philosophy of our system of laws is that men and women can be prosecuted only for overt acts, not for their ideas. This requirement has had a long history. The terrible trials of the Inquisition were concerned mainly with matters of dogma and belief, not with conduct against the Christian faith. The late A. Powell Davies wrote:

"Looking back over the Christian centuries, one is compelled to notice that not a single martyr has been burned at the stake for not going the second mile, or for being anxious about material things, or for laying up treasures upon the earth. Nor has anyone been persecuted for not loving his neighbor as himself. * * * But if * * * you expressed your belief about obscure matters through an unauthorized formula * * * you would be excommunicated and perhaps even lose your life."[8]

Our Bill of Rights was in part a reaction against that gloomy chapter in history. As Jefferson wrote, " * * * it is time enough for the rightful purposes of civil government for its officers to interfere when principles break out into overt acts against peace and good order. * * *" Clarence Darrow had much history on his side when he said that "there is no such crime as a crime of thought; there are only crimes of action."

These high ideals of our system of Government were well expressed by Thomas E. Dewey in a famous debate with Harold E. Stassen in 1948. The question was whether the Communist Party should be outlawed. Governor Dewey, who took the negative of the proposition, made the plea that "we should prosecute men for the crimes they commit but never for the ideas that they have."[9] He emphasized the need to avoid the adoption of totalitarian methods to defeat Communist tactics. He pleaded with Americans to be true to their tradition of freedom. "The free world looks to us for hope," he said, "for leadership and most of all for a demonstration of our invincible faith. The free way of life will triumph so long as we keep it free."[10] He reviewed the history of the Alien and Sedition Laws in this country, pointing out how they hurt and hindered the cause of free Government in America. The lesson they taught us, he said, was that you cannot "shoot an idea with the law."[11] He ended by saying "Let us go forward as Free Americans. Let us have the courage to be free."[12]

One sometimes needs to go abroad to get perspective on his own country. The American reputation for intolerance has grown alarmingly in recent years. The attitudes that reach the foreign press are not so much the quiet work of courts in seeing that even the despised person gets a fair trial, as the pronouncements of officials and other groups condemning people not for their deeds but for their ideas. The witch hunt, in addition to putting much pressure on agencies of government to lower the standards of law administration at home, has done us incalculable damage abroad.

When the FBI was making the so-called Red Raids in 1920, shamefully arresting many innocent people in a vast dragnet, there was a current saying, "Civil liberties? So is your old man." That slurring comment stung like a lash at the time and lingers as one of our most melancholy memories. It was repeated in similar words during the late forties and made America the symbol of intolerance in Europe and Asia.

On travels abroad one also sees in new perspective the role of a judiciary in a troubled world. Go to even the new countries of Burma, India, and Israel and you will see how judges are great rocks over which the waves of hysteria break. They stand their own in times of storm and stress, and do not become agents of public passion.

Often there are segments of society which want courts to be agencies of retribution, not dispensers of justice. It is against these groups that the bar must be opposed. It is to them that the bar should offer lectures and

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[2] Hutheesing, "The Great Peace," 201–203 (1953).

[3] *United States* v *Burr*, 25 Fed. Cas. 25, 27 (No. 14692b) (C.C.D. Va. 1807).

[4] *Burdeau* v. *McDowell*, 256 U.S. 465, 477 (1921) (Brandeis, J., dissenting).

[5] New York Times, March 17, 1959, p. 32, column 4.

[6] *Haupt* v. *United States*, 330 U.S. 631, 644 (1947).

[7] *Cramer* v. *United States*, 325 U.S. 1, 28 (1945).

[8] "The Mind and Faith of A. Powell Davies," 307 (Douglas ed. 1959).

[9] Dewey & Stassen, "Should the Communist Party in the United States Be Outlawed." 14 Vital Speeches of the Day, 482, 486 (1948).

[10] Ibid.

[11] Id. at 489.

[12] Id. at 487.

classes on the true Americanism of our Constitution and Bill of Rights. The educational program should be extended to every public forum, every classroom. It must reemphasize to each generation that in America a man may be condemned only for what he does, not for what he thinks or believes.

Those who would convict any so-called subversive, taking any necessary shortcuts to reach their ends, often point to Lenin's dictum that "we will build communism with non-Communist hands." With that as a starting point they conclude that anyone who insists that fair trials be given those who are charged with subversion are aiding communism. In an earlier day, Judge Anderson, writing of the obnoxious arrests, searches, and prolonged detentions, incommunicado, of hundreds of innocent people in one of the FBI's Red Raids, decried the "lawlessness" of "supposedly law-enforcing officials," who acted with "such disregard of law and of properly verified facts." [13] "It may, however, be fitly observed," he said, "that a mob is a mob, whether made up of government officials acting under instruction from the Department of Justice, or of criminals, loafers, and the vicious classes."

The strength of a free society is in its free institutions. There is tremendous power in those who dare to be free. A nation gets untold strength when every community knows that its courts are not agents of passion, that justice is administered impartially. We can not generate strength by adopting totalitarian methods. Every short cut against procedural and constitutional safeguards is an awful precedent. The victim may be a dyed-in-the-wool Communist today, but tomorrow he may be only one who knew a Communist, or one who believed in socialism, or one who was opposed to the segregation of the races. Once this tactic is approved, it is easy to accuse a person of being a Communist if he favors what a Soviet regime sponsors; e.g., socialized medicine.

Communism, as viewed on the homefront, is a dismal and miserable affair, revealing no accurate measure of its potential for evil. One has to travel the world to see how truly virulent and dangerous it can become. But even in the dreary and far reaches of the world where it has grievances without number to exploit, it has succeeded in fastening itself on a country only in extreme situations. No Communist regime has yet ever taken over a democratic nation. In Kerala, a state in India, the party won an election in 1957—its first parliamentary victory in world history. But that is a young democracy; and there were special grievances, including an average annual income of $24 per person. The Communists have been able to take over a nation by force and violence only under one of two conditions: (1) situations such as that in China where grievances and sufferings piled high, where morale dropped low, and where there were no democratic means to effectuate reforms; and (2) where Communist Party members were propelled into positions of power (as in Eastern Europe) by the intervention of an army from a neighboring Communist country.

Faith in America is faith in her free institutions or it is nothing. The Constitution we adopted launched a daring and bold experiment. Under that compact we agreed to tolerate even ideas we despise. We also agreed never to prosecute people merely for their ideas or beliefs. We have had many exponents of this faith; and none had been more eloquent than Mr. Justice Holmes in the Abrams [14] and Gitlow [15] cases, Mr. Justice Brandeis in the Whitney case,[16] and Chief Justice Hughes in De Jonge.[17]

Our experiment repudiated the precept long honored by totalitarian regimes that the ends justify the means. Procedure was in the forefront of the minds of those who drafted our Bill of Rights; the first eight amendments are indeed mostly devoted to procedure. They have been construed to be applicable only to the Federal Government and not to the States. But if all the dissenters [18] from that view who have been on the Court had sat at one time, the contrary would have been established and we would have higher standards for the enforcement of civil rights than many communities presently enjoy. Yet whatever the full scope of the protection offered by the Bill of Rights may be, it is clear that no matter how eloquently the rights of man might be stated in the abstract, it is their procedural protection that counts when a crisis arrives. These procedural safeguards were designed to serve everyone in the community—the lowly as well as the mighty, the despised as well as the respected.

Judge Stanley H. Fuld, of the New York Court of Appeals, has eloquently summed up this view:

"It is a delusion to think that the Nation's security is advanced by the sacrifice of the individual's basic liberties. The fears and doubts of the moment may loom large, but we lose more than we gain if we counter with a resort to alien procedures or with a denial of essential constitutional guarantees." [19]

We lawyers should be more alert to these infringements than other citizens who may not be so well trained in history and political science. We should know that total security is possible only in a totalitarian regime. Then all classrooms can be patrolled, all professors tested for unorthodoxy, the press censored, and radio and television scripts edited so that there will be no ideological strays. Then judges can be handpicked to carry out orders and removed if they fail to obey. Such a system would give us security in the Communist sense of the term. But we will have lost that passion for freedom which has made America the inspiration of oppressed people the world over.

[13] *Colyer* v. *Skeffington*, 265 Fed. 17, 43 (D. Mass. 1920).

[14] *Abrams* v. *United States*, 250 U.S. 616, 630 (1919) (dissenting opinion).

[15] *Gitlow* v. *New York*, 268 U.S. 652, 673 (1925) (dissenting opinion).

[16] *Whitney* v. *California*, 274 U.S. 357, 375 (1927) (concurring opinion).

[17] *De Jonge* v. *Oregon*, 299 U.S. 353, 364 (1937).

[18] Justices Harlan (*Twining* v. *New Jersey*, 211 U.S. 78, 117 (1908)), Field (*O'Neil* v. *Vermont*, 144 U.S. 323, 363 (1892)), Black, Douglas, Murphy, and Rutledge (*Adamson* v. *California*, 332 U.S. 46, 124, (1947)), are six. Justices Bradley and Swayne (*Slaughter-House Cases*, 83 U.S. (16 Wall.) 36, 118, (1873)), once had that view; and probably Mr. Justice Brewer did also (*O'Neil* v. *Vermont*, 144 U.S. 323, 370–371 (1892)).

[19] *Lerner* v. *Casey*, 2 N.Y. 2d 355, 378, 141 N.E. 2d 533, 546, 161 N.Y.S. 2d 7, 25 (1957) (dissenting opinion), aff'd, 357 U.S. 468 (1958).

HIGHER INTEREST RATES IN PROSPECT

Mr. HUMPHREY. Mr. President, the U.S. News & World Report for May 18 published an article entitled "If You're Going To Borrow Money," which warns the American people that interest rates are going to go even higher.

Already interest rates are higher than they were at the peak of the tight-money period of 1955 to 1957, and every sign points in the direction of even higher rates.

This increase in the cost of money means that a larger and larger portion of the consumers' dollars will be spent in the form of interest. No single item has increased so much in cost under this administration as has the cost of borrowing money. And yet this administration, which makes a habit of preaching on the importance of holding down costs, says not a word against ever higher interest rates. In fact, this administration has promoted and defended the tight-money policies which are costing the American people untold billions in added costs each year.

The annual interest payments, for example, on the public debt have soared to alltime highs. Interest payments alone this fiscal year are estimated at $7.6 billion on the public debt; and next year they are estimated to shoot even higher, to $8.1 billion.

High interest rates, which largely benefit the bankers and other money lenders, are defended by the GOP on the grounds that the tight-money policy is necessary to hold down inflation. This argument was punched full of holes back in the tight-money period of 1955 to 1957, when prices rose at the fastest rate in the peacetime history of our country.

When one sifts through all the arguments of the administration as to the virtues of tight money and soaring interest rates, he really gets down to the fundamental fact that the administration simply believes it is all right for the bankers to boost their prices and reap a harvest, but that somehow it is not quite proper for wage earners to ask to share in the increased productivity of the economy. What the administration actually believes in is the old trickle-down system, whereby the main course goes to the high and the mighty, and the leftovers to John Q. Public.

If the administration really wants to do something about the cost of living, I suggest that it stop and reexamine its position on monetary policy.

I ask unanimous consent that the article from U.S. News & World Report, to which I have referred, be printed at this point in the RECORD.

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

IF YOU'RE GOING TO BORROW MONEY

It's cheaper to borrow money now than it's likely to be a few weeks from now. So say bankers surveyed across the Nation.

Interest rates on loans already are up in most places, and bankers say tight money is just starting to be felt.

Interest rates that people pay on money borrowed at the bank, already rising, are to rise still higher in weeks just ahead.

This is the consensus of bankers across the country, disclosed by a new survey just completed by U.S. News & World Report.

On the basis of interviews with officers of dozens of banks, large and small, this practical meaning becomes clear: If you expect to borrow money any time soon, you probably can save on interest costs by borrowing now.

Already, as disclosed by bankers, the typical bank is charging about a half percentage point more than last summer on mortgage loans. Businessmen, in most cases, also are finding that rates on their short-term loans have been marked up by half a percentage point. As the Government clamps down further on credit, making money tighter, bankers expect to put their own rates up another notch.

And, says a high officer of one of the country's biggest banks, "It's an open-and-shut case that money will get a great deal tighter than it was at the peak of the boom in 1957."

When will the move to higher interest rates get under way? Most bankers expect it soon—many say before the end of next month. How individual borrowers will be affected, however, depends largely on where they live and what type of loan they want.

Mortgage rates: up. Families shopping for loans to buy homes face higher interest rates in most places than a year ago, with still higher rates to come.

"Mortgage rates," says a Washington, D.C., banker, "are trending up—there's no question about that. We charge 5½ percent ordinarily on a good risk, and that's one-fourth to one-half of a percentage point more than it was a few months ago. In addition, some lenders are adding commission fees, or raising those fees. * * * I look for a 6 percent rate soon."

In Memphis, the president of a savings and loan association reports, "Our mortgage rates have moved up in two small steps since last summer. Then, we were at a level of 5¼ to 5½ percent. That went to a range of 5¼ to 5¾, with a very few at 6 percent. In the past 60 days, we've shifted to a range of 5½ to 6 percent—with more at 5½ than 6. Now, we're moving toward more at 6, our legal limit in Tennessee."

A banker with banks in several Michigan cities, however, does not expect to raise his mortgage rates soon. "We get 5 percent from our best customers and up to 6 on others, with more going at 5½ percent than at any other rate," he reports.

In St. Petersburg, Fla., the head of a savings and loan association says: "Our rate on most nonguaranteed mortgages has been at 6 percent for a long time. We didn't cut it last year, in the recession, and we do not expect to raise it this year. In Sarasota, though, many lenders have gone to 6½ percent."

In California, where money always is relatively scarce, home buyers are paying a typical 6 percent, now, but many loans are being made at 6½ and some at 7 percent. "A year ago," says a San Francisco banker, "our rate was a soft 6 percent—now it's a firm 6."

COMPANIES PAYING MORE, TOO

Official figures show what has happened to rates charged by banks on business loans. Average rate in 19 large cities was 4.17 percent last June. That rose to 4.5 in December, and inched up a bit more in the slack lending season of January through March. Now, bankers report, there's more upward pressure.

Another round of increases in business-loan rates, these bankers say, is to follow a markup by the Federal Reserve System in the discount rate—the rate that banks must pay when they borrow new lending reserves from the System. The rise is expected to be to 3½ percent, from today's 3 percent.

When will that rise come? Most bankers believe the "Fed" has just been waiting for the U.S. Treasury to complete its current borrowing effort. Then, bankers predict, the discount rate will go up, and banks will raise the "prime" rate—charged on short-term loans to big companies with top credit ratings. That rate now is 4 percent. Higher rates paid by smaller firms would also go up.

"The signals," says an official of a big New York bank, "are loud and clear. Banks are loaded with Government bonds they can't sell—because they would take heavy losses at present prices of bonds. Money is 'tight,' already. With heavier demand ahead, it's quite likely that there will be another increase by the 'Fed' in the discount rate, to be followed by an increase in the prime rate."

In Dallas, the president of a large bank reports that: "Generally, our commercial loans are 5¼ to 5½ percent, with more at the higher rate than at the lower. Our oil loans—which run up to as long as 5 or 6 years—are at 5½ to 6 percent. A year ago, more were at 5½ than 6—now the reverse is true. And we look for this rise to continue."

A Detroit banker doubts that his institution will follow the prime rate upward. "We don't mark these rates up and down as much out here in the country as they do in New York," he explains. "Also, our range among different classes of customers is narrower. Right now, we're not looking at many loans at less than 5 percent—that's what you might call our base rate. A year ago it was 4½ percent. If there's a new rise in the discount rate and the prime rate, I think we'll probably stick at 5."

West coast bankers look for business-loan rates to hold steady, or rise. "Our commercial loans," notes a California banker, "are made all the way from the prime rate of 4 percent up to as high as 7 percent, which is higher than rates were some months back. The prospect is that they will remain steady, or go up."

And in Seattle: "I don't think interest rates on business loans will go down. They'll strengthen, if anything."

HOW CONSUMERS FARE

Only on consumers' installment loans can people count on fairly stable interest charges now, as the bankers see it.

"We don't change the rates on these loans much," says a Midwestern banker, "even when other rates are going up. Our rate on a new-car loan has been at 5 percent, generally, for several years. That, of course, is a 'discount' rate, which figures out to an ordinary interest rate of a bit less than 10 percent."

A Washington, D.C., banker notes this: "We charge only 4 percent on a consumer loan, but we're going to have to mark that up before long."

And, in Baltimore: "Strangely enough, lenders cut their rates on auto loans a few months ago, from 5 percent to 4½ percent. But I don't expect that to stick."

OVERALL VIEW

A Texas banker sums up: "It all depends on the 'Fed,' but I think the discount rate will go up soon, with the prime rate following and other rates going along. Only consumer rates will lag."

NOW BANKS ARE RAISING INTEREST RATES

Here's a report from bankers on what to expect, based on a survey by U.S. News & World Report:

For home buyers: Mortgage rates up about a half of 1 percentage point since last summer. Typical rate now, on mortgage not backed by Government, is around 5½ percent.

Prospect: A further rise coming soon.

For businessmen: Rates are up roughly half a point on short-term loans. Rates vary widely—from one borrower to another, and from one area to another.

Prospect: New increases on the way.

For installment buyers: Very little change so far in interest charges on cars, appliances, other items bought on installment plan.

Prospect: In some areas, small increases likely.

For all borrowers: As money for lending tightens, applications being screened more carefully by bankers, other lenders. Some being turned down.

Prospect: For many people and businesses it is to get harder, as well as more expensive, to borrow money in months just ahead.

PRESS COMMENT ON ADDRESS BY SENATOR HUMPHREY

Mr. HUMPHREY. Mr. President, it was my privilege to speak to an open public forum at the University of Florida on the date of April 3, 1959. The title of my address was "A New Era for Latin America." Apparently this speech attracted some attention, particularly in the Latin American countries. Regrettably, far too little attention is paid to United States-Latin American relations in the United States.

It is a pertinent topic of a handful of newspapers and journalists, rather than the day-to-day subject of interest to all areas of the United States.

Our neighbors to the south, our Latin American neighbors deserve our continuing attention and consideration. The political and economic developments in Latin America are of vital importance to the United States and the free world.

The inadequacies of our present policies concerning Latin America, while generally admitted, have received far too little thoughtful attention by public and private bodies in the United States. There is every indication that the international Communist movement has selected Latin America as its next target. We can expect to see much more activity on the part of Communists in that area. We shall not be able to combat it merely by repressive measures and military assistance.

The answer to communism in Latin America is an all out struggle against poverty, disease, hunger, and unemployment.

Latin America needs economic development. Our Latin American neighbors need a United States that is interested in the people of these countries and not merely in the resources, the mines, the oil, the timber. Indeed, we need to be the good neighbor and to extend the helping hand of friendship and understanding.

It is already late. Let us hope and pray it is not too late.

The State Department has been kind enough to provide me with a report of the press coverage in Latin America of my speech on April 3. I ask unanimous consent that the report be printed at this point in the RECORD.

It will be noted that the press and editorial comment concerning the address was friendly and in the main favorable and challenging.

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

REPORT OF PRESS COVERAGE IN LATIN AMERICA OF SENATOR HUMPHREY'S SPEECH

A survey of Latin American newspapers reveals that Senator HUMPHREY's speech of April 3, 1959, entitled "A New Era for Latin America," received the following publicity:

Newspaper	Page	Location
Associated Press wire stories:		
El Mercurio	1	Santiago, Chile.
La Nación	2	Buenos Aires, Argentina.
El País	1	Montevideo, Uruguay.
O Estado de S. Paulo	1	São Paulo, Brazil.
Excelsior	4	Mexico City, Mexico.
United Press International wire stories:		
El Día	6	Montevideo, Uruguay.
El Mundo	3	Habana, Cuba.

All the above straight news accounts of the speech appeared in newspapers of April 4, 1959.

Attention is invited to six enclosures which are translations of editorial comment found in the South American press concerning the speech. The newspapers quoted in the attachments have substantial circulation and range from moderate to conservative in political orientation. No editorial comment on the HUMPHREY speech has appeared in middle American newspapers available to us.

El Mercurio, Santiago, Chile, April 5, 1959:

"THE INTERVENTION OF SENATOR HUMPHREY

"The speech that Democratic Senator HUBERT H. HUMPHREY made recently at the University of Florida, passing judgment on the policy of the North American Government toward this hemisphere, is destined to echo in Latin America. Although the position of this politician appears to be directly influenced by the electoral plans of his party and its campaign to regain the leadership of the Nation, his statements recognize the errors that for some years have marked the policy of Washington toward the nations to the south of the Rio Grande.

"It must be said that this erroneous policy is not the exclusive property of the Republican administration, but that it has been shared also by the Democrats, who, until the year 1952, controlled the Government of the United States. If one observes a change now, it has been initiated by Eisenhower himself, as a series of recent rectifications demonstrates, especially support for the creation of an Inter-American Bank; and so the intervention of Democratic Senator HUMPHREY does not have the character of an absolute innovation with respect to the revision of Department of State policy regarding Latin America.

"These qualifications made, the essential thing stated in the speech is that North America has pursued a discriminatory and erroneous policy with respect to the region wherein lies its major interest. It was discriminatory because it conceded predominant importance to foreign aid for Europe and Asia, refusing to undertake a large-scale program in our countries; and, it was erroneous in mistaking its objective, which primarily should be the economic development of Latin America as a means of strengthening social peace and preventing Communist expansion in a vast underdeveloped zone.

"Senator HUMPHREY makes it clear that the Secretary of State Marshall set forth in the postwar period a correct policy with respect to the Americas that should have included them in a plan of economic aid similar to the one bearing that statesman's name and put in practice in Europe.

"We believe that this assertion is not very consistent. The Latin Americans have heard from the lips of Marshall, Byrnes, and Dulles that there would not be 'a Marshall plan for this hemisphere.' And this is explained because that powerful economic bond has been conceived in order to reconstruct the regions destroyed by the war and to aid the nations that had been allies and those with which the United States had overriding obligations. The Marshall plan at the decision of the State Department, was not used to develop resources, a process that required the efforts of the interested parties themselves, the cooperation of private capital, and the aid of development institutions (World Bank, Eximbank, etc.), created for those ends.

"In general terms, there have not been two policies toward Latin America although individual opinions could be pointed out, more from newsmen than statesmen, in disagreement with the thinking of the State Department.

"The credit for changing this state of affairs should doubtless be claimed by Latin America itself, by its press which has exposed in various tones, but with rare unanimity, the errors of conduct of foreign relations of the northern Republic and the resonance that has been given to these opinions at the Inter-American Conferences, especially that of 1954, at which was pointed out the inability of the governments of this region to maintain normal political conditions and sound democracy if foreign aid was not organized to promote economic development.

"The campaign thus maintained succeeded in convincing the North American executive and legislators, who finally have shown signs of correcting their points of view, even to the extent that one of the aspirants for the presidency, Senator HUMPHREY, believes it opportune forcefully to base his platform on a campaign to bring about a complete change of foreign policy regarding Latin America and to propose a real 'Marshal plan' for our countries.

"It is unnecessary to repeat again that the change in the North American spirit was considerably influenced by the opposition that Vice President NIXON experienced during his trip through various South American countries. The youthful politician succeeded in transmitting his impression to the President and people of the United States, and this resulted in an immediate reaction in favor of a change in direction by the Department of State.

"Now what we hear from the lips of Senator HUMPHREY is a reflection in the political field of what has been happening for some time in the financial and diplomatic fields. His words seem to show a vehement desire to reform the base of his country's foreign policy, and certainly the effect of such words will be to awaken greater zeal and desire for aid [to Latin America] in the enemy camp, that is, the Republican Party.

"The intervention of Senator HUMPHREY may have enough drama and violence to achieve a result similar to that caused by the shouts and stones in the path of Vice President NIXON. Both parties of the Union are becoming convinced that there is much to correct in inter-American relations and, as the sorrowful realities in which we live point up the urgency for this change, we can hope, if not for a Marshall plan for Latin America, a real expression of U.S. public opinion in support of effective economic aid to the group of nations that most influence the prosperity of North America, present and future."

La Tribuna, Lima, Peru, April 10, 1959:

Column "Temas Sindicales," by Luis López Aliaga:

"Democratic Senator HUMPHREY has made important statements with relation to Latin America. 'The Latin American people,' he said, 'want an end to semifeudal conditions in which 5 percent of the population owns 80–90 percent of the land, in which a handful of nationals and foreigners live in luxury and abundance while the majority live in squalor.' Here, the engineer Pascual Saco Lanfranco has asserted that, of 1,696,716 hectares [1]—the area of agricultural enterprises of the sierra, coast, and montaña—66.44 percent (1,126,685 hectares) belongs to large estates of more than 100 hectares, 13.08 percent belongs to medium-sized estates (20 to 100 hectares), and 20.43 percent belongs to small estates. This is to say that 4.59 percent of the agricultural enterprises possesses 66.44 percent of the land. * * * Senator HUMPHREY has sketched, furthermore, a program of nine points for a new policy toward our America. With compunction he says, 'While we have eagerly sought Latin American support to stop communism, we have demonstrated indifference toward despots.' The program outlines: 'An increase of economic aid to Latin America; rapid consideration for loans; increased technical assistance; vigorous support for the creation of regional markets and a review of the commercial and tariff policies of the United States; a larger exchange of persons program and a more balanced and wider coverage of Latin American news by the press, radio, and television in the United States; a review of the military aid programs, and support for the idea of regional control of armaments.' Upon this platform of genuine friendship inter-Americanism can be firmly maintained, for the workers will not harbor the suspicions they have today about an inter-Americanism which closes markets to us, lowers the prices of our exports, and sells to us at higher prices each day. That type of inter-Americanism is all right for fools. We want an inter-Americanism without imperialism."

[1] Equal to 2.471 acres.

Folha da Manhã São Paulo, Brazil, April 5, 1959:

Column "The World on the March," by Jan Costa:

"AN ACCURATE DIAGNOSIS BY A NORTH AMERICAN SENATOR OF THE LATIN AMERICAN CRISIS—PLAN FOR AID OR BETTER ECONOMIC RELATIONS?—THE STATE DEPARTMENT'S NEED TO READJUST ITS POLICIES IN THE AREA

"An interesting speech made in Florida by the North American Senator HUBERT H. HUMPHREY, Democrat, confirms what we have long maintained in this column: The Democratic Party of the United States is more sensitive to the needs and interests of Latin America than the Republican Party that returned to power with the victory of Eisenhower. The enlightened ideas and more realistic policy of the great President Franklin D. Roosevelt explain in part the position of the Democratic Party of which HUMPHREY's speech constitutes a new and reinvigorated manifestation. The Democratic Senator repeats the criticisms lately leveled at the State Department's policies toward Latin America and proposes substantial changes, including a program along the lines of the Marshall plan through which billions of dollars were applied in the reconstruction of Europe and in Asia. He reveals greater understanding of the present drives of the Latin American peoples toward economic development and social progress. The thesis of Senator HUMPHREY seems to be based also on assumptions which we have often affirmed here: North American democracy is conservative, and the democratic struggle in the United States presents itself as a means of defending a standard of living and a political system which, in general, the North Americans consider satisfactory. In Latin America democracy is a political system and at the same time an ideal of socio-economic progress which is being attained slowly and with difficulty; democracy is, in brief, a combination of things that the Latin Americans do not have and wish to acquire. Thus, to consider democracy only the forms of political organization and to ignore all the rest means in Latin America to take a conservative position which perpetuates the latifundium and its political concomitants which are caudillismo and dictatorship. Senator HUMPHREY seems to have understood this when he said, 'We must recognize that the Latin Americans now wish to put an end to the lamentable situation observed in a large number of countries of this hemisphere, where minorities of wealthy people retain possession of 90 percent of the arable land and a handful of privileged people live sumptuously while the rest of the population lives in nearly unbelievable conditions.' Following this he mentions the recent revolutions in Argentina, Colombia, Venezuela, and Cuba as a proof of the determination of the Latin Americans to attain their principal objective: Bread and liberty. Perhaps this was the most intelligent statement of a

North American politician on the Latin American crisis and on the need to readjust the policies of the State Department to this reality. Also in the thesis of Senator HUMPHREY, there seems to be implicit the assumption that institutions exist to serve men and human communities and that it is not for man to be a slave to immutable institutions. In no other way could the problem be seen in its proper historic perspective. Yet, in the area of practical solutions, things become complicated.

"Senator HUMPHREY speaks about aid and the Marshall plan. We should speak about the Humphrey plan. But the term 'aid' has been much abused, and we frankly do not like it. We know that aid brings results as the European experience of recent years has shown. Yet, we prefer that the problem be put on the basis of equitable economic relations. For example, an international accord on price stabilization of Latin American exports is more important than aid. Less rigidity in intergovernmental loans is also more important than aid. But at this stage it is important that progress has been revealed in the field of diagnosis as it is revealed in the speech of Senator HUMPHREY, who is considered as one of the possible candidates for the Presidency of the United States.

"Unfortunately, we cannot be optimistic about the general political prospects of Latin America in the near future. The experience of recent years has shown that political revolutions are not enough to eliminate the factors of unrest; i.e., to correct the structural economic defeats which make for political and social malaise. Argentina continues to lack tranquillity. Paraguay is subjected to a dictatorship against which discontent is mounting. The Cuban revolution is in the initial phase, and the reform plan of its leaders cannot be realized in a few months. Brazil is passing through one of its worst periods in recent years. High prices and the financial situation make the political future quite uncertain on the eve of what promises to become one of the most embittered political campaigns. But this is the inevitable road of democracy in countries that still bear the heritage of caudillismo."

El Correo, Medellín, Colombia, April 11, 1959:

"AID TO LATIN AMERICA

"The nine points of Senator HUBERT HUMPHREY for an aid plan to Latin America, expounded by him in a speech in Florida, are very important and show the interest that the people of North America are beginning to take in their friends in other parts of America.

"The considerations that accompany these points are absolutely realistic and show a well-informed view of existing relations between the United States and the other countries of the continent. He not only deals with economic problems, but also, even more important, with the attitude which one should take toward the struggle that the Latin Americans have endured to attain democratic governments, and with the casual and even paralyzed attitude of the Government of the United States toward this struggle.

"The great mass of North Americans almost totally ignore us. There are those who question a South American whether he arrived by train in New York, or at what age he visited there for the first time. But among the leading classes there is noted a marked interest and good information concerning our problems and the conditions under which we live."

El Tiempo, Bogotá, Colombia, April 5, 1959:

"LATIN AMERICA DOES COUNT

"Latin American affairs, which for so many years have counted little in the United States, are now beginning to be discussed on the platforms of internal politics. This was indicated in the recent eloquent speech of Democratic Senator HUBERT H. HUMPHREY, who is now being mentioned as one of the possible candidates of his party for the Presidency of the Republic. The speech, considering the authority and excellence of the speaker, is certain to exert significant influence on the relations between these countries and their good neighbors of the North.

"The policy that Senator HUMPHREY proposes for Latin America is, more or less, the same as that suggested, solicited, and reiterated to the point of fatigue by responsible spokesmen of our poeple. That policy can be summed up in three words: effective and sincere cooperation. There is no question of an outflow of millions such as the Marshall plan demanded, nor of the Latin Americans wishing to become a leech on the American economy. His eagerness is only for cooperation, for the development—with a view for the common good—of our huge resources that, adequately exploited, would be a fabulous source of wealth.

"The speech of Senator HUMPHREY is new and genuine proof that the mentality of the American politicians, in relation to Latin America, is beginning to change in a favorable direction. And this is not due exclusively to the experiences of Mr. NIXON during his visit to these countries, experiences so very uncomfortable but of elementary significance. In the North American Union they are beginning to give heed to the fact that this part of the continent also counts in world affairs and that something more than geographic proximity argues for solidarity: the community of political ideals, professed here as fervently as there."

El Tarapacá, Iquique, Chile, April 15, 1959:

"THE U.S. AND LATIN AMERICA

"A detailed description of the errors committed by the United States with respect to the countries of Latin America was made recently by Democratic Senator HUBERT H. HUMPHREY, who accused his Government of having abandoned Latin America at the same time that it showed great preoccupation and interest in Europe, the Mideast, and all of Asia.

"HUMPHREY demands a 'Marshall plan' for Latin America which would renew Latin American hopes and speed economic development. The plan proposed by the Democratic Senator calls for more rapid and sympathetic consideration of loan applications, increased technical assistance, energetic support for the creation of regional markets, revision of U.S. commercial and tariff policies, more extensive health and exchange of persons programs, 'wider and better balanced news coverage of Latin American affairs' by the U.S. press, radio and television, revision of the military aid programs, and support for the idea of regional control of armaments.

"The program of the Democratic Senator, whose name figures among his party's prospective presidential candidates, accurately interprets the basic hopes of the Latin Americans. Senator HUMPHREY's statements, although presented during an electoral campaign, in the heat of which words outrun the best intentions of the politicians, and despite being another of the many manifestations of U.S. understanding that have not been followed by positive action, reveal a precise knowledge of the problems of U.S.-Latin American relations and constitute a worthy contribution to the Latin American cause.

"In this column we have always censured U.S. vacillation toward Latin American problems, pointing out that economic stagnation and, often, the spread of misery among the peoples of the South American Continent not only constitute grave problems for our countries, but also work against North American political and economic interests.

"It would be unfair at this time, after hearing the correct diagnosis of an outstanding North American public figure, not to state that over a period of time we have witnessed a slow but positive evolution [in U.S. attitude] from indifference to understanding and a frank spirit of cooperation.

"We do not believe that the changes in U.S. attitude were caused by or stem from either the violence to which Vice President was subjected or the flashes of enthusiastic support for Latin America by individual Americans like Senator HUMPHREY. They have been operating on many broad fronts and have been expressed in such significant actions as the open U.S. cooperation with various countries to overcome economic emergencies, U.S. determination to promote the creation of the Pan American Bank, and its expressed support for efforts to establish regional markets in Latin America.

"It is appropriate, also, to mention that U.S. officials raised the first serious warnings about the unreasonable trend of national budgets in Latin America and about the great influence of high military expenditures on economic backwardness.

"There is still a long way to go; but it is comforting to note that the United States slowly, but with the certainty with which convictions are formed by the people themselves, there is greater understanding of these things and appreciation for the need and rightfulness of inter-American solidarity on all levels."

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

Mr. HRUSKA. Mr. President, I call to the attention of the Senate the recommendation of the Senate committee concerning the school lunch appropriation and how this recommendation differs from the authorization provided by the House in its version of the agricultural appropriation bill for 1960.

Before discussing that difference, however, I point out that there is serious thinking and considerable progress in the direction that the States should be encouraged to assume increased responsibility in the school lunch program. This is consistent with the School Lunch Act of 1946. A desire to further such a policy is reflected in the budget estimate of $100 million regular appropriations for cash payments to States—a reduction of $10 million below the 1959 Appropriation Act. Other witnesses contended for higher amounts than were appropriated for fiscal 1959.

The Senate Appropriations Committee in its wisdom decided to support the same figure as in the current year and as also reported by the Appropriations Committee of the other body and later approved in final form by the other body itself.

Since the issue seems to be resolved in this particular aspect by both bodies, it is not my desire to address myself to it now.

Both the Senate committee bill and the House bill provide a total of $153.7 million for the school lunch program in 1960. So the question is not one of differences in how much support to the school lunch program is proposed by

the Senate and the House, but in how that support is to be provided.

The House and Senate bills both provide for a regular appropriation of $110 million. About $94 million of this amount will go to the States as cash payments, and about $15 million will be used by the Department to make special purchases for the program under section 6 of the National School Lunch Act. Both bills also provide for the transfer of approximately $43.7 million of section 32 funds to the program. The Senate bill proposes that this transfer be used to augment the regular section 6 food purchase program. The House bill provides that the $43.7 million be used to increase the cash payments to States from about $94 million to almost $138 million, or almost 50 percent.

I believe the proposed Senate action to be more responsive to school lunch needs as expressed by the local school people. I am sure Senators will recall the letters they received from school people when commodity donations were sharply reduced in 1958. The school people asked for commodities; few, if any, of them suggested that the cash side of the program be increased.

It was in response to those expressions that Congress authorized the transfer of $35 million of section 32 funds for commodity purchases last year. That action is in effect for the current fiscal year. The Department of Agriculture used these funds to provide good protein items for the schools—turkeys, dried eggs, and an excellent frozen ground pork. In addition, butter, cheese, dry skim milk, flour, cornmeal and rice were made available from the surplus stocks of the Commodity Credit Corporation. The large volume purchase facilities of the Department made it possible to provide the schools more pounds of high-quality food per dollar expended, and thus was of greater assistance in helping schools maintain both meal quality and moderate lunch prices.

I believe this year's experience with the expenditure of $35 million will demonstrate that such a program can happily serve both the nutritional and agricultural objectives of the national school lunch program. It permits commodity markets to have the stabilizing influence of a large-scale purchase; it permits schools to benefit from the economies of such volume purchases; and the educational efforts by the Department and the States to assist schools to use these foods are helping to develop sounder and bigger markets for these foods in the future.

The committee report at page 8 sums up the committee's thinking and conclusion in the following fashion:

The committee believes that the Department is better equipped to handle the purchase of foods, and to balance this procurement with the donations of Government-owned foods, which it makes to the school lunch program than would prevail if the House proposal for utilizing $43,657,248 of section 32 funds were to be undertaken. The committee accordingly recommends the deletion of the House provision, and inserts in lieu thereof the following provision: "*Provided further*, That $43,657,248 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

The committee amendment inserts the language carried in the 1959 appropriation act, and the amount of the House proviso which provides a total of $153,657,248 of Federal financing for the school lunch program as proposed in the House bill.

I feel strongly that we should not only fully endorse the proposals of our Senate committee, but also that we should instruct the Senate members of the conference committee to urge the inclusion of the Senate language in the final appropriation bill.

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

Mr. HRUSKA. I yield.

Mr. HUMPHREY. I am very much interested in the school lunch program; indeed, I am interested in the entire appropriation bill relating to the Department of Agriculture and its multitudinous services.

The Senator from Nebraska has related the history of the transfer of section 32 funds to implement and supplement the commodity section of the school lunch program. The purpose, as the Senator has said, is to provide a more varied and a more balanced diet for the school lunch program.

Mr. HRUSKA. That is correct.

Mr. HUMPHREY. This would permit the purchase of protein foods, in part, so as to round out the school lunch program and not rely entirely on the so-called surpluses. Is that correct?

Mr. HRUSKA. The reliance, even under section 32, is on the surpluses. As I understand, any purchases of surpluses by the Department of Agriculture are made available for certain specified purposes; but one of the highest priority, and perhaps the highest priority, is the school lunch program. As I understand, all the commodities made available in this fashion are from the Commodity Credit Corporation surpluses.

Mr. HUMPHREY. That is not the law which relates to the national school lunch program. The national school lunch program does not rely entirely upon so-called surpluses under the control of the Commodity Credit Corporation.

Mr. HRUSKA. That is true.

Mr. HUMPHREY. The commodities which may be required for a more balanced program may be purchased on the market.

Mr. HRUSKA. That is correct; and not only is that the purpose of the $110 million, but it is particularly the purpose of the $14 million of that amount which is available for the special purchases.

Mr. HUMPHREY. That is correct.

The only concern I have—and I am sorry the chairman of the subcommittee is not now in the Chamber—is that the Senate committee bill fails to earmark the funds transferred from section 32 as not to be used primarily for price-support purposes. In other words, I believe the Senate should emphasize that section 32 funds are to be used primarily for the school-lunch program and, second, for price-support purposes, and are to be used for section 6, to which the Senator has referred. In other words, if we speak of the funds transferred from section 32 as being primarily price-support funds or primarily directed toward price-support operations, then the use of those funds will be limited essentially to the purchase of surplus commodities.

Mr. HRUSKA. I do not think that has been the experience.

Mr. HUMPHREY. I do not think so, either; but I wish to make sure that there can be no such interpretation or limitation in regard to the availability of funds transferred from section 32, which, as we know, are obtained from the tariffs and fees on the importation of agricultural commodities.

Mr. HRUSKA. As a matter of fact, the designation of the $43,700,000 which will be transferred from section 32 will bolster the very thought the Senator from Minnesota has expressed. Actually, the Department contended that that language and that transfer are not at all necessary; that if those funds were spent under the provisions of section 32, the highest priority probably would be accorded the school-lunch program. If the transfer is made, it seems to me that will imply a greater liberality with the purchase of food for the purposes of the school-lunch program.

Mr. HUMPHREY. Exactly; and I thank the Senator from Nebraska for that interpretation, which also is mine. I simply wished to be sure that I understood the Senator's point of view and his observation.

It seems to me that the funds are being transferred for the purposes of the national school lunch program, and that therefore the funds are to fulfill the objectives of the national school lunch program, rather than the objectives of any price support operation.

Mr. HRUSKA. It would seem that that is one of the reasons why the transfer is made; and I believe that the selection of foods available for purchase by means of the transfer is sufficiently wide so that that purpose may be subserved.

Mr. HUMPHREY. Does the Senator believe that these foods should be purchased entirely by the U.S. Department of Agriculture; or does he believe that there might be flexibility which would permit the State authorities and the local authorities to work in this area?

Mr. HRUSKA. They should work closely with each other; but the actual mechanics of the purchasing are to be handled by the Department of Agriculture.

Mr. HUMPHREY. But it is to be hoped that the authorities in the respective States will have some leeway in terms of what will be a balanced program for their purposes.

Mr. HRUSKA. Yes; and I understand they will work closely in conjunction with the Agricultural Marketing Service, in connection with the program, although, as I have stated, the actual mechanics of the purchasing will be handled by the Department of Agriculture itself.

Mr. HUMPHREY. I thank the Senator from Nebraska for his clarification of that particular portion of the report on the bill which has been before us today.

THE EAGLE SOARS

Mr. ALLOTT. Mr. President, upon the occasion of the death of John Foster Dulles, Mr. Milford E. Shields, of Durango, Colo., the poet laureate of the State of Colorado, composed a poem entitled "The Eagle Soars," I ask unanimous consent that the poem be printed at this point in the RECORD, in connection with my remarks.

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

THE EAGLE SOARS: JOHN FOSTER DULLES

High in the sky the eagle soars,
Above the turbulence and strife
Of earth's perimeter of life;
There as he circles other shores
We see the light glint from his wings,
And what a joy its brilliance brings,
The joy of knowledge and of love,
That though his work was not complete,
We in his brilliance still will meet,
Here by the grace of God above,
Round out his efforts for the free
As he wings in Infinity.

—*Milford E. Shields.*

GRADUATION OF THE FIRST CLASS FROM THE U.S. AIR FORCE ACADEMY

Mr. ALLOTT. Mr. President, June 3, 1959, will mark the realization of a goal long dreamed, long hoped for, and long planned by the early pioneers of air power, as well as by the leaders of our Air Force. The graduation of the first class from the U.S. Air Force Academy at Colorado Springs, Colo., is in many ways the rekindling of the spirit of such Americans as Billy Mitchell, Hoyt Vandenberg, Hubert Harmon, Hap Arnold, and the many other great air commanders and men who gave their lives that the United States would never lack for air strength or for well-trained, dedicated leaders for our Air Forces.

We in the Congress should be equally proud that the newest of our service Academies is about to assume its rightful place along with the Academies of the Army, Navy, Coast Guard, and Merchant Marine. The Air Force Academy Act of 1954 gave life to the Academy. The young men whom we have nominated comprise the majority of the cadets of the Academy and of the graduating class. A portion of our national income which we have appropriated has built this institution, which undoubtedly will achieve a splendid reputation for men of scholarship as well as leadership. As a matter of fact, among its first graduates the Academy boasts a Rhodes scholar. Already the Academy has attained full academic accreditation.

On May 10 of this year the Air Force Academy Board of Visitors made its annual inspection of the school. As Chairman of that Board, I am pleased to announce that our report will shortly be in the hands of the President. I may say, however, that we were greatly impressed by the academic standards already achieved by this fledgling institution. Its faculty, we found, is second to none. We were particularly impressed with the emphasis placed on humanities, as well as the purely military aspects of the curriculum.

Another facet of the curriculum which made a great impression upon us, Mr. President, is the emphasis being placed on sciences. Fine laboratories, good equipment, and exceptionally fine instruction are producing what we are confident will be fully rounded, well educated leaders of the future. Astronautical and other courses provide them with the knowledge and the tools to conquer space.

Let us take pride in our Air Force Academy. Let us share with the Air Force and the Nation the achievement of a job well done. To the members of the first graduating class—the class of 1959—let us wish careers of service filled with success. They are as much men of destiny as those of the long gray line of West Point and the graduates of the Naval Academy at Annapolis.

Mr. President, in order that my colleagues may have an even more graphic idea of what a remarkable institution this one is, I ask unanimous consent that an article entitled "Air Academy's First Grads Take Wing," written by Cabell Phillips, and published in the New York Times magazine of May 24, 1959, be printed at this point in the RECORD, in connection with my remarks.

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

AIR ACADEMY'S FIRST GRADS TAKE WING—THE FALCONS JOIN WEST POINT'S "LONG GRAY LINE" AND ANNAPOLIS' CAP-TOSSING MIDDIES

(By Cabell Phillips)

COLORADO SPRINGS, COLO.—A 4-year stride in the coming-of-age of the United States Air Force will be measured off here on June 3 when the first graduates of its new Academy march up to receive their diplomas—and inevitably to pass on into Air Force tradition as "the immortal class of '59."

The Air Force Academy opened in temporary quarters at Lowry Air Force Base, at the edge of Denver, on July 11, 1955. Of the 306 assorted and somewhat apprehensive high school and college kids who showed up for matriculation that day, 207 have survived to emerge as crisply uniformed and presumably well-trained young second lieutenants ready to go to work as navigators or student pilots or to prepare for the more exotic tasks of the missile age. And the scene of this historic first June Week will be the Academy's own spectacular but still unfinished $150 million campus here in the shadow of Pike's Peak.

To Air Force professionals and alumni all around the world, this will be a time to remember. It will mean the final attainment of equal professional and social status with the Army and the Navy, the birth of an elite officer corps steeped in distinctively Air Force doctrine and tradition. The Academy has been the dream of Air Force men ever since the old Air Corps won its independence from the Army 12 years ago. Congress authorized its creation in 1954, and it got haltingly under way a year later. It moved into its new quarters here last October. But only now, with its first fully qualified graduating class, has it become a proud and indisputable reality.

Just at present, things are in a bit of a flap here in order to make this historic debut as impressive and flawless as possible. The five principal buildings—administration, classroom, dormitory, etc—are of course, completed, their vast vertical acreage of glass, aluminum and white marble glistening pristinely in the spring sunshine. A sixth, the Social Center Building, with a 3,000-seat auditorium and a hangar-sized ballroom, is still crawling with artisans working against a May 30 deadline. A platoon of bulldozers chews away at the raw banks of red clay that stretch in every direction, molding their contours and covering them over with tons of imported black topsoil. Landscapers toil from dawn to dusk sowing quick-growing grasses, setting hundreds of shrubs and full-grown trees and anxiously nursing the formal plantings around the reflecting pools in the great central plaza.

And meanwhile cadet and faculty committees by the score wrestle with such agonizing and unfamiliar problems as the correct protocol for a graduation ceremony, invitation lists for teas and cocktail parties, the scheduling of a score of weddings, the devising of appropriate customs and rites that will make an Air Force June Week different from any other June Week, and even the scrounging of enough bleachers for the parade grounds to accommodate the thousands of visitors who are expected.

But this is another and happier sort of chaos than that which prevailed four years ago.

I was on hand on that blistering July day back in 1955 when this institution drew its first breath of life. The first class of cadets had streamed in over the week-end. The men had come from every State in the Union, lugging suitcases and brown paper parcels—and in some cases radios and tennis racquets, which were never to get past their barracks doors—and dressed in the casual, flamboyant style of teen-agers.

Militarily, they looked to be about as unpromising a lot as any random sample of young America caught in the dragnet of the draft. But in actuality they were anything but average. Each had passed a series of stiff competitive examinations to win his appointment. Scholastically, they were top-rank in their various high school and college classes, and their median score on College Board examinations, I learned later, was 580 as against 556 for freshmen of other colleges tested on the same scale.

Physically, they had to pass the standard Air Force examination for pilot training, one of the most rigid in the armed services, and there seemed to be a heavy preponderance of potential football material among them. Motivationally, they were uniformly bedazzled by the adventure and romance of flying, but here and there was an undertone of serious interest in the engineering and leadership phases of an officer's career.

The fledging Academy's quarters in those days was a cluster of cheerless brick and clapboard buildings on a corner of the Lowry preserve. By 7 o'clock that morning the prospective cadets had begun to queue up for registration, oathtaking, and formal matriculation, a process that was accompanied by the elaborate and deceptive solicitude of a group of young lieutenants and captains—air training officers—especially recruited from the regular ranks to spend this first academic year in the role of foster upper classmen.

"Mister, will you step into this line, please?"

"Now, sir, if you will just sign your name here—thank you."

"I'm sorry, fellow, but regulations won't permit you to keep your camera and radio in the barracks."

But when they were formed into squads a couple of hours later and marched the 50 fateful yards to their barracks area, they were exploded into a frenetic, harshly regimented world unlike any they had ever

known. The crisp young ATO's, who only a few moments before had seemed so courteous and friendly, suddenly became snarling, bellowing drillmasters.

"Get into those fatigues, mister, on the double—on the double, I said."

"Stand up straight, mister. Is that your belly or your chest? Well, get it up there where it belongs."

"Pull in that chin, mister—brace."

"You men will march on that field in military formation this afternoon or you'll regret it for the next 6 months, and that's a promise."

And at 3 o'clock that afternoon, looking awkward and uneasy in their starched khakis and blue caps, they marched bravely onto the parade ground for the formal dedication ceremonies—if not like veterans, then like a squadron of very recent civilians who had had an awful lot of close-order drill pounded into their heads in a brutally short time.

It was a moving spectacle and at the same time a portentous one. You realized that here, in this first parade of the Air Academy cadets, a fresh chapter in America's romantic and military folklore was being opened before your eyes. And you felt certain, too, that among this cluster of bewildered, sweating, bone-tired youngsters, trying desperately to keep step and a straight line, there were some who carried, unseen and unsuspected, the mark of destiny that would some day be revealed in a general's stars or a hero's medals.

When I revisited the Academy the other day there was both a vast difference in the surroundings and an almost equally great difference in the cadets of 4 years ago.

The new Academy, on 17,000 acres at the eastern rampart of the Rockies, is magnificent or hideous, depending upon your architectural prejudices. I found the sleek, functional lines of the buildings and the sophisticated use of rich panels of color wholly pleasing. The style is contemporary without being modernistic, and while no ivy will ever twine about the aluminum-sheathed columns, neither will these buildings ever suffer from the anachronistic blight of collegiate Gothic.

The scene is a bit stark, for there is still much landscaping to be done; there are obvious gaps in the great quadrangle where a chapel and a hospital are to be built, and there is an almost total absence of such sentimental gimmickry as statues, fountains, great trees, and other customary campus landmarks that would give it warmth and familiarity. These will come with time.

Up to now, the plant has cost, against an original estimate 5 years ago of $100 million, either $139 million or $197 million, depending upon whether you take the figures of Maj. Gen. James E. Briggs, the Superintendent, or of Joseph Campbell, the Comptroller General of the United States, whose disagreements have reached the point of polite acrimony. And by the estimates of both, the end is not in sight. For example, with its construction budget practically exhausted, there are as yet no flying facilities at this school for airmen, and cadets have to go by bus to Lowry Field, 60 miles away, for flight training.

At all events, a controversy is now raging in Congress over the question of how much of this handsome layout is boondoggling extravagance and how much is rational necessity. The conclusion of this uniformed observer is simply this: If there has been any pennypinching in bringing the Academy to its present state of sufficiency and architectural opulence it is not visible to the naked eye.

As for the cadets, attrition of one sort or another—academic, physical, psychological—has washed out nearly a third of their original number, which is about the norm for the other service Academies. Those who have survived have gained strikingly in physical bearing, in poise and almost certainly in knowledge. Among those whom I had particularly noted 4 years earlier, one has won a Rhodes scholarship, another (among five in his class) has been picked for graduate study at a leading eastern university, another has become the Academy's first football All-American, and one has achieved high military rank in the cadet wing. There were others in this small group, of course, who are just fair to middling in their academic attainments.

Survival is indeed a test of fitness at the Air Academy, for a cadet's life is rationed by minutes throughout the 4-year period and he is held to high performance standards in every field of activity. His day begins at 6 a.m. and follows a meticulous schedule to "lights out" at 10:30 p.m., Saturdays usually included.

A typical day includes 4 to 5 hours of classroom or laboratory work, a minimum of 2 hours of study, an hour of physical education, and an hour and a half of athletics. He stands daily room inspection, marches in formation to all meals, and has a parade and inspection in ranks on Saturday afternoons. Seniors spend an average of 2½ hours weekly in the air in air navigational training at Lowry Air Force Base. A "spit 'n' polish" appearance in full uniform is mandatory at all times except in the cadet's own room. Summer vacations are limited to 30 days, which, in effect, allows the compressing of a 5-year college course into 4 years.

Out of the dozen or more cadets with whom I recently talked at some length, three impressions emerged.

First, all have matured markedly. The rough academic and disciplinary grind appears to have been a good catalyst in working the transition from youth to young manhood.

Second, a measurable change in motivation seems to have taken place. Whereas 4 years ago most of these same youngsters seemed to have fixations on becoming hot pilots in the Steve Canyon tradition, many today have shifted their interest to astronautics and the related fields of science and engineering.

And third, they seem to have escaped much of the intellectual trade school regimentation that afflicts so many graduates of West Point and Annapolis.

This is undoubtedly attributable in part to the initial intention of the Air Force Academy—pretty well preserved over these first 4 years—to produce leaders as well as technicians, officers who are equipped to deal with the realities of the social and political life of the world at large as well as with the technology of flight. Each graduate is a rated navigator, and most will go on to pilot training. But each also has earned a valid collegiate degree as a bachelor of science.

The Academy's curriculum calls for the completion of 183 credit-hours, of which 48 are devoted to military airmanship and the remaining 135 divided approximately equally between the basic and applied sciences, on the one hand, and the humanities and social sciences on the other—a markedly different cultural balance from from that observed at the other service Academies.

English—literature and composition—is taught for 3 years; history for 3; philosophy, economics and psychology for 1; political science for 2; and 2 years of a foreign language—10 credit-hours—are crammed into the senior year, the student having a choice of French, German, Spanish or Russian.

The final semester of political science is devoted to a recently devised course called defense policy, which is a study from current books, periodicals and a specially prepared syllabus of international politics as they relate to American defense strategy. On the day when I visited one of these classes I found a lively discussion in progress based on a chapter from Henry M. Kissinger's Nuclear Weapons and Foreign Policy. Each two seniors (roommates) are required to share a subscription to the Sunday edition of the New York Times, which is delivered by air late on Sunday afternoons at a cost of 75 cents a copy. Articles in its magazine and News of the Week in Review become topics of classroom discussion throughout the week.

The impact of the age of the sputniks is evidenced by two facts. The first is that entering cadets are no longer required to measure up to the stiff physical and aptitude specifications for military pilots. The second is that a new department of astronautics was introduced into the academic table of organization last year, and is now a required subject in the senior year. A course in nuclear physics will be added in the new academic year beginning in September. These changes are tacit recognition by the Academy authorities that manned flight may one day become a military anachronism.

Recently the Academy was granted accreditation by the North Central Association of Colleges and Secondary Schools with this rather unusual accolade: "The examiners were both surprised and gratified to find that the Air Force Academy places such great emphasis on a broad program of general education with high standards of performance demanded and achieved * * *. In (their) judgment, the graduating cadet will have a substantial liberal education with much more solid science underlying it than is taken at the best colleges by anyone except the science majors."

The most obvious academic shortcoming appears to be in the caliber of the faculty. The entire faculty of 202 is recruited from the officer corps of the Air Force, and there are only 34 Ph. D.'s in the lot—a low proportion by national standards. Moreover, the level of teaching experience is quite low, as most faculty members are assigned to the Academy on a 3- to 4-year tour of duty, and then move on to some other assignment, usually a nonteaching one. Only four members at present, including the dean, enjoy permanent tenure on the Academy's teaching staff.

It seems likely, too, that succeeding classes will not reach the academic levels of those who are there now. Up to this year, the Academy has been permitted to select the best candidates from each State among all those nominated by Members of Congress from that State. Under a new selection law (similar to the one in force for the other service Academies), it is now limited to accepting the top-ranking nominee out of the 10 which each Member of Congress is permitted to propose.

Thus, there may be only 1 boy out of a group of 10 nominees who meets the minimum academic qualifications, but he must be chosen, irrespective of the fact that in the neighboring congressional district all 10 of the nominees may have superior qualifications.

"It seems clear," the accrediting examiners observed, "that the new law will reduce to an appreciable degree the quality of the potential future officers of the Air Force. If we cannot afford, as a Nation, to have the second-best Air Force in the world, then it seems highly unwise to recruit so many second-best cadets who may become air officers of the future."

One unacknowledged objective of practically everyone connected with the Academy incidentally, is to break into the service football monopoly now enjoyed by West Point and Annapolis. The Falcons, as the

Air Force has dubbed its team, turned out a powerhouse last year that went for an undefeated season which included the Cotton Bowl. Army is on its schedule this year, and Navy will be played in 1960. This stepped-up competition may work some change in the present rather modest emphasis on football, an emphasis that is underlined by the fact that four of last year's stars—including Brock Strom, the all-American choice—are academic stars as well.

General Briggs, the Superintendent, is proud of his Academy, but he has spent most of his time lately defending his construction program against its detractors in Congress and elsewhere. "This place," he says with some heat, "will be here for a hundred years and maybe longer. It has to be good and it has to last, and it has to be something the Nation will continue to be proud of. You can't build an institution of this kind out of plasterboard and secondhand lumber.

"We've got a tremendously important mission here," he went on. "We are trying to turn out professionally oriented young officers with a sense of self-discipline and a broad enough cultural background to live and work effectively in a regimented society. We hope most of them will make lifetime careers out of the Air Force, but we hope, also, they won't suffer from any delusions that because they are Academy graduates, they are somehow the Nation's elect. That's why we are trying to educate them instead of just training them.

"I know we are turning out some first-rate second lieutenants. But whether we are really succeeding in our mission will take 20 years to find out."

ESTABLISHMENT AND OPERATION OF A NATIONAL WILDLIFE DISEASE LABORATORY AT COLORADO STATE UNIVERSITY—INTRODUCTION OF A BILL

Mr. ALLOTT. Mr. President, out of order, I introduce, for appropriate reference, a bill—which is introduced by me, on behalf of myself and my colleague [Mr. CARROLL]—for the establishment of a National Wildlife Disease Laboratory at Colorado State University, in Fort Collins; and I ask unanimous consent that the bill be printed in the RECORD, at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested by the Senator from Colorado. (See exhibit 1.)

The bill (S. 2086) to provide for the establishment of a National Wildlife Disease Laboratory, introduced by Mr. ALLOTT (for himself and Mr. CARROLL), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. ALLOTT. Mr. President, I have just now introduced a bill which provides for the establishment and operation of a National Wildlife Disease Laboratory at Colorado State University, in Fort Collins. Nowhere in America are the diseases of wildlife being investigated, either as to their incidence, control, or relationship to diseases of humans and farm animals, on a scope anywhere near comparable to that of the programs now devoted to the diseases of man and domestic animals. In fact, there is no adequately equipped installation where such undertakings can be cooperatively financed or brought together.

The Russians do have a facility of this type, however. It is located at the Kazakh Academy of Sciences, at Alma Ata, in the U.S.S.R. Visiting American scientists report that the installation is equipped with modern facilities and equipment, and has a staff of 28 full-time scientists, 60 technical and subprofessional employees, and an undetermined number of assistants. The laboratory is solely for the study of wildlife diseases in relation to man, livestock, and other wildlife. We have no remotely comparable research installation in the United States.

Medical science in the United States presently is faced with an unfortunate and serious gap in its overall knowledge of the diseases of wildlife. Little is understood about the role of wild mammals and birds in the transmission of the 86 diseases found to be intercommunicable between man and other animals. Several hundred diseases are known to affect domestic animals, but the relationship to wild animals virtually is unknown.

For the most part, scientists can only speculate about how much man is affected by wildlife-induced diseases. Some common wildlife diseases of a communicable and dangerous nature are rabies, anthrax, brucellosis, and encephalitis. Man is susceptive to all.

Campaigns to control rabies have occurred in all parts of the country. An outbreak of sleeping sickness—encephalitis—presently is causing much apprehension in the Southwest. Wyoming is confronted with an epidemic of anthrax in its sizable and recreationally valuable moose population.

Larger numbers of people engage in outdoor sports each year. Many may become exposed to various wildlife-borne diseases when they establish either direct or indirect contact with wild animals. How great this danger of infection is to human life, as well as to the vital livestock industry, will be the subject of comprehensive study at the proposed National Wildlife Disease Laboratory.

Colorado State University is an ideal location for the wildlife disease laboratory. Fort Collins is easily reached from all other parts of the country. It lies between an intensively farmed region and a vast area of public land. Livestock, poultry and habitat for all types of wildlife, ranging from the smallest birds and mammals to the largest, are within convenient reach.

The cooperative agreements which the university already has established with many Federal and State agencies could be extended to the new installation. These include agencies of the U.S. Departments of the Interior and Agriculture, the Colorado Game and Fish and Forestry Departments, livestock associations, and the Medical Center of the University of Colorado. Of course, cooperation of the departments of Colorado State University—the College of Veterinary Medicine, and the departments of forest recreation and wildlife, range management, zoology, animal husbandry, and others—also can be expected.

Mr. President, should my bill be enacted, Colorado State University stands ready to give—at no cost to the Federal Government—land for the laboratory building and animal holding pens of ample acreage and suitable location. The site is adjacent to the new, ultramodern domestic animal disease isolation unit and laboratory now in operation on the campus. The advantages of such a location for the proposed wildlife disease laboratory are obvious.

In addition to cooperation from Federal and State agencies and from the Colorado State University, such private organizations as the Carnegie Foundation, Rockfeller Foundation, Ford Foundation, Pack Foundation, Wildlife Management Institute, and National Wildlife Federation should be vitally interested in participating in this necessary research program, through grants-in-aid for cooperative studies.

Mr. President, it is expected that $3.5 million would be required for constructing and equipping the original installation. The annual operating cost would be about $710,000. After the program gets under way, it is expected that the operating cost could be reduced by the amount that would be available from outside interests for cooperative studies.

I shall not burden the RECORD by stating the cost estimates for constructing the laboratory, the proposed number of personnel, and the operating expenses. A detailed breakdown of the required funds will be submitted when hearings are held on my bill. I fully expect that the results of the research studies that would be conducted at the national wildlife disease laboratory would far exceed these nominal costs in filling the present void in knowledge of the relationship of wildlife-borne diseases to wildlife, to man, and to domestic livestock and poultry.

Mr. President, I ask unanimous consent that the bill may lie on the desk until the close of business on June 4, so such Senators as may desire to do so may join in sponsoring the bill.

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

EXHIBIT 1

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 is hereby authorized and directed to establish, equip, and maintain a National Wildlife Disease Laboratory and, at such laboratory, to conduct research into wildlife diseases and problems relating to their causes, diagnoses, epidemiology, specificity and interrelationships to other wildlife, to man, and to domestic livestock. The laboratory shall be established at a land grant college or university that has a recognized school of veterinary medicine and where graduate training in such research may be carried out.

SEC. 2. For the purposes of this Act, the Secretary is authorized to obtain by purchase or donation any property and interest therein, real or personal, in the name of the United States for the laboratory established pursuant to this Act and to utilize voluntary

or uncompensated services at such laboratory.

SEC. 3. In carrying out the purposes of this Act, the Secretary is authorized and directed to cooperate with other departments or agencies of the Federal Government, State conservation and game and fish departments, and other State agencies and institutions, counties, municipalities, business or other private organizations, corporations, associations, colleges and universities, scientific societies, and individuals, upon such terms and conditions as he may prescribe.

SEC. 4. There are hereby authorized to be appropriated, from time to time, such sums as may be necessary to carry out this Act, but the amount authorized to be appropriated for the original construction and equipment of the National Wildlife Disease Laboratory shall not exceed $3,500,000.

CAPITAL BUDGET BOOKKEEPING SYSTEM FOR FEDERAL GOVERNMENT

Mr. HUMPHREY. Mr. President, I have for many years advocated that the Federal Government adopt a capital budget bookkeeping system, whereby the current expenditures of the Government would be differentiated from investments of the Government upon which we will realize a return plus interest. Again this year I have introduced a bill to put such a bookkeeping system into effect, S. 1560.

At the time that I introduced this bill I noted that Great Britain, among other countries in Europe, has such a bookkeeping system.

I invite the attention of the Senate to an article which appeared in the U.S. News & World Report of April 20 on the British bookkeeping system. The article is entitled "How Britain Balances Budget." The article points out that if the United States used a capital budget such as Great Britain does, the Federal Government would show a surplus of at least $3 billion for fiscal 1960, rather than $100 million, as forecast by President Eisenhower, under our present antiquated bookkeeping system.

It has been my observation that discussions of the budget engender more emotional outbursts than rational thought. One of the main reasons is that our annual budget report does not reveal an accurate fiscal picture. No business would think of lumping current expenditures in with its investments; yet that is just what our Federal Government does under the present bookkeeping system.

I say it is time that we put our bookkeeping system in order. It is time that we adopted a modern, up-to-date capital budget.

We are indebted, indeed, to the author of this particular article for a very objective and factual survey of budgetary conditions in certain countries and how a capital budget would work. I was so pleased to find this particular material, because all too little attention is given to modernizing the budgeting system of this Nation. Until we modernize it, there will be all kinds of heat, thunder, and fury about budgets, but very little light and constructive information and reform.

Therefore I ask unanimous consent that the article to which I have referred may be printed at this point in the RECORD.

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

HOW BRITAIN BALANCES BUDGET

(Look closely at the new balanced budget in Britain, and you find that the balance isn't all it seems to be. Only one of the two parts of that budget is in the black. The other part is in the red. Overall, there's a big deficit. Even so, taxes are being cut. If United States kept books the same way, there would be room for cuts in American taxes, too.)

The Conservative Government of Great Britain on April 7 announced that its budget for the year just started on April 1 was balanced, with more than $1 billion to spare.

In dividing up this billion—

Taxpayers—both individuals and corporations—were given a reduction from 42.5 percent to 38.75 percent in the base rate of tax on incomes. Upper-income taxpayers were given smaller percentage cuts than low- and medium-income taxpayers.

People were given rather sharp cuts in the heavy sales taxes that they pay on all sorts of purchases.

Companies were granted a special tax writeoff in the years in which they make an investment in new plant and equipment.

All told, Britain's officials say, this relief will come to about $826 million in the bookkeeping year just started. Even then, they figure, the books will show a surplus of about $285 million for the year.

The British surplus would be the equivalent of about $1.5 billion for the much bigger U.S. budget, if figured in the same proportion.

If the U.S. Government were to turn back to taxpayers the same percentage of total Government revenues that Britain now proposes to return, taxpayers in United States would get reductions amounting to more than $4 billion.

Tax relief in Britain, however, is not a forerunner of tax relief in the United States. Tax cuts for American taxpayers apparently are nowhere in sight. In the United States, there is more talk of tax increases than of tax reductions.

DRAWING THE LINE

How has Britain been able to balance its budget and grant repeated tax cuts? How has the British Government managed to reduce income taxes, for example, to the lowest levels since before World War II, while income taxes in the United States are at the highest level in peacetime history—just below World War II peaks?

Main reason is that in Britain the Government keeps two sets of books. The British budget that was balanced was what is called the budget "above the line." It is the budget of operating expenses. This is the set of books that shows a sizable surplus—for this year and most years.

In addition, however, there is the set of books that Britain calls the below the line budget. This is the budget dealing with government loans and other investments in capital assets. In Britain, this budget is pretty much ignored by the public. Despite the enormous interest in the new budget, and the expected tax cuts. British newspapers that devoted one to two pages to the budget did not even report on the below the line spending.

The below the line budget, however, was not balanced and was not intended to be balanced. It showed, in fact, a deficit of $2.3 billion.

Over all, the British budget really shows a deficit of $2 billion for the year just started. This is the biggest deficit run by Britain since World War II.

Looked at in another way: If United States kept its books the way Britain does, the United States would show a surplus of at least $3 billion next year—rather than the $100 million forecast by President Eisenhower.

OTHER ANGLES

How much of Britain's surplus in the operating budget is due to military aid from the United States is hard to say. While that aid has dropped sharply, the intercontinental missiles that United States is giving Britain would cost that country sizable amounts to produce on its own.

More important, though, is the indirect effect of huge defense spending by the United States. In all, defense expenditures in the United States are equal to nearly 10 percent of total production—or gross national product—in this country. Britain is spending an amount equal to about 6 percent of its total national product on defense.

What would happen if the United States cut its defense spending to the British level, in relation to total production? There would be enough saving to give American taxpayers a real bonanza—about $15 billion of tax relief.

Then there is the huge flow of economic and military aid from the United States. For British taxpayers, the foreign-aid burden is far smaller. If the United States were to cut its aid, say, by half, Americans would save $1.8 billion a year in taxes.

STILL A HEAVY LOAD

Even with a relatively light defense burden, however, Britain's taxpayers are among the most heavily taxed in the world—outside Communist countries. Reason lies in Britain's vast welfare programs—family allowances, food subsidies, pensions, aids to housing and health, and the like. These are costing British taxpayers heavily.

Now, the tax load in Britain is to be lightened. Overall taxes are to be cut by more than 6 percent. Many taxpayers, particularly in the lower income brackets, will get bigger cuts than that.

Take a married couple with no dependents, earning $2,000 a year after tax deductions, but before exemptions. The couple now gets a tax cut of more than 10 percent. Yet the couple still will pay $196. In the United States, the tax would be $120.

A British couple with $5,000 of income will get a tax cut of 9 percent. Still, the tax of $1,091 will be nearly half again as high as the $760 the couple would pay in the United States.

At $10,000 of income, a British couple now will find its tax reduced by 7.5 percent. Result: a tax bill of $3,144—or two-thirds higher than the U.S. tax of $1,888.

And, at $25,000 of income, the British couple—even after a 5.6 percent cut—will pay $12,607. In the United States, this couple would pay only $6,724.

Sharp cuts in Britain's sales taxes also are to leave those taxes far higher than anything Americans pay.

British families have been paying a 60 percent tax on cars, radios and television sets, phonographs, records, cosmetics, perfume, and some other luxuries. Now they'll pay 50 percent.

The tax also is cut, from 30 percent to 25, on a long list of other things that families buy—watches, refrigerators, washing machines, sporting goods, toys, and many other items.

Kitchenware and some other household items will be taxed at 12.5 percent, instead of 15.

Americans, while envying the British for these new tax cuts, are not likely to envy British taxpayers for the burden they still must carry.

If United States kept its books the way Britain does—

[In billions]

	Year ended Mar. 31, 1959	Year ending Mar. 31, 1960
Britain's regular budget, with a surplus, looks like this:		
Income:		
Taxes on earnings	$7.7	$7.3
Other receipts	7.6	7.6
Total income	15.3	14.9
Outgo:		
Defense	4.1	4.2
Family allowances, pensions, relief	1.5	1.6
Aids to health, housing, etc.	2.2	3.3
Education and broadcasting	1.5	.6
Food and farm subsidies	1.0	.9
Interest on debt	1.9	1.7
All other programs	2.1	2.3
Total outgo	14.3	14.6
Surplus	1.0	.3
But: That's not the whole picture. There also is the so-called below-the-line budget—largely loans and capital outlays. It looks like this:		
Income below the line	0.9	1.1
Outgo below the line:		
Loans to railways	.3	.2
Loans to National Coal Board	.2	.3
Loans to other nationalized industries	1.0	1.4
Other outlays	.9	1.5
Total below-the-line outgo	2.4	3.4
Deficit below the line	1.5	2.3
Overall result: Deficit of	.5	2.0

NOTE.—United States, by contrast, includes all these below-the-line expenditures—billions of dollars of them—in its regular budget.

Conclusion: If United States figured its budget the same way Britain does, the $100,000,000 surplus called for in the President's budget would turn out to be a surplus of at least $3,000,000,000, probably more.

ST. LAWRENCE SEAWAY

Mr. HUMPHREY. Mr. President, I have received a letter from the Administrator of the St. Lawrence Seaway Development Corporation, Mr. Lewis G. Castle. The letter is self-explanatory. It is a letter directed to me as a friend of Mr. Castle, as well as a Member of the U.S. Senate.

Mr. Castle comes from Duluth, Minn. I believe he is doing a very fine job as Administrator of the St. Lawrence Seaway Development Corporation. He has had a lifetime of interest in the St. Lawrence Seaway. He, as the responsible administrator, of course, has grave concern over any development which may reflect adversely upon the St. Lawrence Seaway.

Mr. Castle has called my attention to a number of newspaper stories which relate to the St. Lawrence Seaway—some of which include adverse comment, such as the headlines which I now read: "Danish Skipper Balks at Seaway"; "Skipper Praises Seaway as Ship Reaches Duluth"; "Captain Says Seaway Running Much Smoother"—indicating earlier problems in the Seaway. I also have another story which was printed in the Duluth News-Tribune relating to some of the problems captains of ships had in terms of navigation in the Seaway.

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

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

[From the Massena Observer, May 14, 1959]

SKIPPER PRAISES SEAWAY AS SHIP REACHES DULUTH

George Hill, now operating the Sportsman's Bar, Grand Marais, Minn., has sent the Observer a copy of May 4, Duluth News-Tribune, telling about the first Seaway ship to arrive. Mr. Hill worked in Massena on the Seaway project.

The Duluth newspaper had the banner "Duluth-Superior Ports Linked to Atlantic Ocean." A six-column picture showed the SS *Ramon de Larrinaga* being welcomed by fire hose spray and a large crowd.

An interview with the skipper of the ship follows:

Capt. Joseph Meade is an enthusiastic champion of the St. Lawrence Seaway.

Meade, a resident of North Wales, England, believes the new waterway will be "the salvation of mankind."

He reasoned that it will provide cheaper transportation for grain to poverty stricken countries.

Meade is master of the *Ramon de Larrinaga*, first ship to come to Duluth via the Seaway.

"You know," he said, "I didn't know the names of the Great Lakes until a few days ago."

His arrival here was not without mishap.

As the *De Larrinaga* pulled along the Peavey elevator, her hull scraped the side of the dock.

"We were like a sailing ship," he said, "running before the wind. We couldn't stop in time." His ship carried three pilots at different times.

Meade, a veteran sailor, praised the American locks in the Seaway.

"It was a marvelous way the Americans handled them. They know their job because they're seamen. And I'm not praising them just because I'm in an American port."

It took the *De Larrinaga* 14 days to make the trip from Liverpool, her home port, to Montreal. From there to Duluth took 7 days.

While here Meade met an American Indian—Chief Good Sounding Sky, Sawyer, of the Chippewa Tribe.

Doffing his captain's hat, he rubbed his hand over his balding head. "I certainly haven't got enough to scalp," he joked.

Meade welcomed a number of city dignitaries in a ship's cabin.

He pointed out that the vessel is a shelter deck type, used exclusively in the grain trades. It flares out at the bow, unlike Great Lakes vessels.

He commented he was pleased at the size of the crowd that greeted the vessel's entry through the ship canal.

Duluthians were allowed to board Meade's ship and inspect it.

[From the Massena Observer, May 18, 1959]

CAPTAIN SAYS SEAWAY RUNNING MUCH SMOOTHER

MONTREAL.—The 1,599-ton Dutch freighter *Prins Willem George Frederik* is on her way back to Rotterdam after being the first ocean ship through the St. Lawrence Seaway and into the port of Toronto.

Her skipper, Capt. Teunis (Steve) Aaldijk, said: "The Seaway is functioning 100 percent more effectively now than when it opened."

He said moving down to the Seaway was simpler than his maiden voyage up because "the men on the canal now seem to know how to do their jobs."

[From the Duluth News-Tribune]

DANISH SKIPPER CALLS SEAWAY TOO RISKY

(By Jim Myhers)

The captain of a banged-up Danish tanker said yesterday the St. Lawrence Seaway locks are too narrow for huge oceangoing vessels.

Capt. Otto Kruger, master of the 18,500-ton *Asia*, said he will recommend to his firm, the East Asiatic Co., that his ship never transit the Seaway again.

"It's too risky," Kruger commented. "There's too much danger."

It had been announced previously that the ship would make several trips to the Lakehead this year. The *Asia*, largest vessel to come through the Seaway thus far, arrived in the Duluth-Superior harbor at noon yesterday.

As evidence of his belief, Kruger pointed to at least three large dents on his 7-week-old ship. She was damaged, he added, when she scraped against the locks.

Kruger said the locks, which are 80 feet in width, are not wide enough for ships such as his. The *Asia* has a beam of 72 feet.

The ship's bridge wing, which hangs over the side, had to be cut away to allow the vessel to go through the 27½-mile waterway. A 2-foot section was cut away on either side. The ship had to back out the St. Lambert lock to allow the work to be done.

Kruger prefers the two American locks to the five Canadian ones. The U.S. locks, he said, are equipped with wooden fenders. The fenders "stop a ship from going too far ahead and prevent damage."

Great Lakes pilots, who help guide the ships, also came in for criticism from Kruger.

"They don't have much experience with oceangoing vessels," he claimed.

Kruger reported he was warned his ship would encounter trouble. A representative of the St. Lawrence Seaway Development Corporation told Kruger he was hesitant about sending the ship through because of her size.

Foreign ships making the Seaway run are required to meet Corporation regulations before entering the waterway.

It was Kruger's belief that vessels will have to be specially built for the Seaway-ocean trade.

Ocean ships, he noted, flare out at the bow, in order to combat wave action. Great Lakes vessels have a boxlike feature.

"I intend to make a recommendation that we never go through the Seaway again," he declared.

The East Asiatic Co., Copenhagen, Denmark, has a fleet of 40 vessels.

Kruger, 36, who lives in Copenhagen, has been with the company for 8 years. Before joining the firm he was an officer in the regular Danish Navy. He served in the underground during World War II.

The *Asia* will take on 9,800 tons of barley at the Farmers Union elevator and Great Northern dock.

The ship will pick up close to 9,000 more tons at Montreal or Quebec, en route to Bremen, Germany. She carries a crew of 47 men, all Danish.

Kruger commented that the Twin Ports Harbor "is excellent." After dredging is completed, it will be "perfect for any type of ship."

The *Asia* was on the high seas for 9 days from Southampton, England, to Montreal. It took 8 days—"a lot of it spent waiting"—to journey from there to Duluth, Kruger added.

Mr. HUMPHREY. Mr. Castle, in his letter to me, stated:

The inaccuracies and exaggerations of press reporting are a great trial to us, and it is most unfortunate that some comments such as

contained in the clipping from a Duluth paper are accepted as general opinion and given wide circulation.

I digress from the letter to note that I had referred to some adverse comments as indicated in the headlines which I read.

Returning to the letter:

To answer some of the particular statements appearing in the clipping attached, no member of our Corporation ever said to any skipper that we were hesitant about sending a ship of large size through our lock facilities. To date we have transited over 700 vessels in a 25-day period without any major difficulties. Also, among those ships we have handled larger sizes than those of the oceangoing variety. We expect to transit ships carrying ore, grain and coal of 730 feet in length and 75 foot beam.

Some oceangoing skippers inexperienced in narrow channels were free in their critical comments. Many of them arrived in ballast with green pilots and encountered heavy winds, rain and fog. With a little more experience they will have no difficulty. I am led to believe that what difficulties they did encounter were due to their own bad seamanship, and to save face they blame the Seaway facilities. The Danish shipline owner of the *Asia* knew in advance our lock dimensions before the official opening, and because of the *Asia*'s bridge width they should not have put it in service for the Seaway.

Keep in mind also, that the Canadians opened their new locks for the first time this year, and need a reasonable length of time to train their lock crews and complete many refinements that are scheduled to be performed. Our Corporation had the advantage of 5 months' operation last year.

I beg you to be patient and give all Seaway employees an opportunity to show their resourcefulness to get things in good running condition before too long. The Seaway already has attracted many transits of new foreign lines, and very few of the skippers have complained. Our growing pains should be over before too long.

The final paragraph is of a more personal nature, and reads:

I hope it won't be long before you come up here to see our operations. They are efficient and successful, and I want you, as a Senator from Minnesota, to see our works with your own eyes. I know you will be pleased.

Sincerely yours

LEWIS G. CASTLE, *Administrator*.

I thank Mr. Castle for this very frank letter. He is working with great dedication to make the St. Lawrence Seaway project a successful enterprise.

It is difficult. It is new. I am hopeful that instead of looking at the slight mistakes which may be made along the way the American people and those who are responsible for informing the American people through the radio, press, and television will indicate the great achievement of this Seaway as well as some of its minor difficulties. I predict that in short order there will be great praise for the Seaway itself and for those who navigate its waters.

Indeed, we are looking forward in Minnesota to a great occasion at Duluth, Minn., this summer when we celebrate formally the opening of the Seaway. We hope to have one of our Navy's cruisers at Duluth. One of the cruisers, I believe, is now scheduled for Milwaukee. We also hope to have appropriate ceremonies to dedicate the new harbor and new facilities.

We in the Midwest, as I know is true of people along the St. Lawrence River and the Great Lakes system, are indeed pleased with, and, in fact, are excited about the possibility of economic development and growth which may come, and we pray and hope will come, with the opening of the St. Lawrence Seaway. It is a great thing to know that in the heartland of America great oceangoing liners of commerce can now render freight and passenger service.

Mr. President, I again wish to join with the many others who have commended those responsible for the good work in getting the Seaway open on schedule. I think that is quite an achievement within itself.

Mr. President, I yield the floor.

TRANSPORTATION: ACHILLES HEEL OF NATIONAL SECURITY

Mr. SCHOEPPEL. Mr. President, during the investigation conducted by the Senator from Florida [Mr. SMATHERS] we gave a great deal of consideration to the difficulties of the railroads; primarily in terms of their ability to perform the day-to-day functions expected of them in a peacetime economy.

The current issue of Political Science Quarterly, which is edited by the faculty of political science of Columbia University, contains an article entitled "Transportation: Achilles Heel of National Security." It was written by Robert W. Harbeson, professor of economics at the University of Illinois, who was formerly the principal economist in the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

I have selected excerpts from this excellent paper. Since the Senate Interstate and Foreign Commerce Committee, of which I am a member, will shortly again embark on an extensive review of the entire transportation field, I believe this material will be of interest to my colleagues. I ask unanimous consent that it may be printed at this point in the RECORD.

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

TRANSPORTATION: ACHILLES HEEL OF NATIONAL SECURITY

The function of the transportation system in a modern economy has been likened to that of the circulatory system of the human body. Just as the degree of adaptability and reserve capacity in the circulatory system is of decisive importance in determining the extent to which the human organism can withstand unusual strain, so the degree of adaptability and reserve capacity of the transportation system sets limits to an economy's ability to withstand the unusual strain to which it is subjected by modern full-scale war. The present article is based upon the twofold conviction that our transportation system is not prepared to meet the requirements of a future full-scale war and that in neither official nor popular thinking is there full awareness of this fact and its implications.

One reason for this situation may be that those charged with the responsibility of planning national defense have become so preoccupied with the spectacular character and implications of satellites and intercontinental missiles as to have neglected the prosaic business of taking the measures necessary to insure that the transportation system will be adequate in the event of a future conflict. Yet neglect of the latter task may well prove to have as fatal consequences as failure to prepare for, and to maintain leadership in, space warfare. Unless corrective measures are taken, transportation may prove to be the vulnerable spot—the Achilles heel—in our provisions for national security.

A second contributing factor may be the belief in some quarters that the next war will be of a pushbutton character, fought with nuclear weapons which will decide the issue in such a short time that the adequacy of the transportation system could scarcely be a matter of decisive importance. There would probably be general agreement that, unfortunately, in all aspects of planning for national security primary consideration must be given to the very great risk of massive atomic attack. However, two points need to be made in this connection. First, there is at least some authoritative military opinion to the effect that even in a war involving nuclear weapons the importance of transportation will not be less, and may be greater, than in past conflicts. Second, responsible defense planning requires preparation not only for massive atomic attack but also for conflicts of a different character in which there can be no doubt that transportation will play as vital a role as heretofore.

In the third place the success of the inland transportation system of the United States in handling the greatly increased traffic of World War II may be responsible for some complacency concerning the ability of the transportation system to repeat this performance in a future conflict. However, closer consideration of the experience in World War II shows conclusively that there is no basis for such complacency. First of all, the transportation record of the last war is in considerable part attributable to good fortune rather than good planning. It was made possible by the existence of excess capacity in the railway system resulting from the heavy capital investment of the 1920's, by freedom from destruction by enemy action within the United States, and by the fact that there was time to build up a merchant marine, to expand air transport facilities and pipelines, to provide a synthetic rubber supply, and to create a governmental organization which could take the steps necessary for maintaining essential transportation services. Furthermore, even with these advantages the transportation system met the needs of the war effort by a narrower margin than is commonly supposed. One official who had a prominent part in directing wartime railway operations has expressed doubt that the transportation system would have remained adequate if the war had been prolonged much longer. Finally, and of the greatest importance, the successful transportation record of World War II would not have been possible except for predominant reliance upon rail transport and the presence of excess capacity which permitted the railways to absorb the added wartime traffic. Yet there has been a sharp decline since World War II both in the proportion of total traffic actually handled by the railroads and in the proportion which they could handle in a future emergency, and national security has been correspondingly weakened.

In order to visualize the transportation pattern of World War II it may be noted that railways handled 90 percent of all traffic moving on government bills of lading, 97 percent of all organized troop movements, from 67 to 71 percent of the total military and civilian freight traffic (excluding coastwise and intercoastal) and from 65 to 76 percent of the for-hire passenger transporta-

tion. They handled 83 percent of the increase in traffic between 1941 and the peak year 1944. Among other agencies of transportation only oil pipelines experienced a relatively larger increase in traffic, accomplished largely by the building of new lines.

It is necessary at this point to state the considerations supporting the statement made above that the decline in railway capacity since World War II represents a serious weakness in our provisions for national security. Why cannot other forms of transportation be relied upon to carry a larger share of the traffic load in a future war as they have in peace? First, for technological reasons railways are much more efficient carriers of volume movements of freight than are trucks or airplanes, and military operations depend upon volume movements. To maintain an army of 1 million men in World War II, 6 million tons of freight were required for initial supply and 1 million tons per month thereafter, and these figures are expected to be larger in a future conflict. In addition provision must be made for the mass movement of the men themselves. Bulk water carriers are also efficient in handling volume movements of freight but their usefulness is rather narrowly restricted by geographic and climatic factors.

Second, railways are far more economical of both fuel and manpower than are trucks or airplanes. It has been estimated that to produce a given number of ton-miles trucks require 4 to 4½ times as much fuel and 13 to 20 times as much manpower as in a rail movement; airplanes require 25 to 30 times as much fuel and 11 or 12 times as much manpower. The impending adoption of jet aircraft by airlines will greatly increase the foregoing differential in fuel consumption, although fortunately jet fuel—in effect, a mixture of gasoline and kerosene—is lower grade than aviation gasoline. It has been estimated that a DC–8 turbojet running 8 hours per day will consume 300,000 gallons of fuel in 15 days—as much as a DC–3, the standard plane of World War II, running the same number of hours per day, consumed in a year. A turbojet consumes more than twice as much fuel per mile as a modern DC–6B of similar size. The fuel requirements of jet aircraft also reduce the pay load which it is possible to carry on a long nonstop flight. It is reported that fuel may account for as much as 48 percent of the gross weight of a Boeing 707 jet as compared with 33 percent for a piston-engine DC–7. In the case of highway transportation it should be mentioned that automobile mileage per gallon of fuel has been reduced as a result of the trend toward higher horsepowers and automatic transmissions. Furthermore, the quality of gasoline provided for automobiles in a future war may deteriorate, as in World War II, because of the diversion of light hydrocarbons to the production of synthetic rubber and aviation gasoline; this will reduce the efficiency of modern high-compression engines designed for high-octane fuel.

In the light of the foregoing facts and the prospective oil supply situation, which will be further discussed below, it is safe to say that from a fuel standpoint it would not be possible in a future conflict to place the same relative reliance upon air and highway carriers as was placed upon railroads in World War II without impairing necessary supplies of gasoline for military use, local transportation, farming, and other essential uses. Likewise, manpower requirements would be such as to make exorbitant inroads upon both military and other essential civilian needs. As Railway Age remarked editorially, under the circumstances referred to, the Army would soon run out of recruits.

Third, experience indicates that it is almost impossible to immobilize railroads more than temporarily by bombing or sabotage; by means of emergency repairs, bypasses, or rerouting, traffic is maintained with a minimum of interruption. The organization, equipment and know-how which enable railroads to minimize the effects of damage caused by flood, fire or accident in peacetime are similarly effective in overcoming the effects of damage by enemy action in wartime. These statements are abundantly documented in a recent monograph written by Gen. J. A. Van Fleet, commanding general of the Eighth Army in Korea. To cite only one example, in the great air attack on Coventry in World War II, railway property received 122 bomb hits, yet the lines were open within 48 hours. It is also reported that in the atomic attacks on Hiroshima and Nagasaki, rail structures stood up among the best. This durability and recuperative power of railroads are of great importance in view of the possibility of extensive damage within the United States in the event of a future full-scale war.

There is some doubt as to whether railway trackage and terminal facilities could handle an increase in traffic of the foregoing magnitude. On the one hand, the Conway committee, a group of railway consultants appointed by the Office of Defense Mobilization in 1954, expressed the opinion that these facilities would be generally adequate in view of the continuing program of improvements since World War II, averaging $345 million per year. On the other hand, when the latter expenditures are adjusted for changes in construction costs, they are only about equivalent to the expenditures during 1936–40, a period of generally low traffic volume. Furthermore, the increase in traffic would not be spread evenly over the railway network but would be concentrated on certain main lines and routes, with a consequent danger of serious congestion. It is true that there is growing use of centralized traffic control, which increases the capacity of a single-track line by 75 to 85 percent, but the use of this device cannot fully offset the loss of capacity represented by the abandonment of 3,200 miles of multiple main track between 1946 and 1956.

There is also some uncertainty as to whether the present supply of motive power would be adequate to handle an increase in traffic of the magnitude just mentioned. The total tractive force of locomotives in 1956 was 19 percent below that of 1944 but the figures for the 2 years cannot be compared directly because of the wholesale shift from steam to diesel power. Diesel locomotives are more efficient than steam and are available for use more hours per day. The Conway committee found, as of 1954, that the existing motive power would be adequate to handle the traffic projected for the first year of mobilization but would fall short by 1,125 units of the number necessary for the projected full mobilization level. Even this was under the most favorable assumptions—a 7-day workweek, adequate manpower for inspection and maintenance, a previous stockpiling of component repair parts, and relaxation of inspection, maintenance, and testing standards. Since 1954 a large number of diesel units have been added to replace steam locomotives retired, but the aggregate tractive force of the locomotives has further declined. Hence it is not certain what the committee's findings would be under the present situation. However, President Symes, of the Pennsylvania Railroad, in recent testimony before the Smathers committee, expressed the opinion that at the present time the maximum volume of freight traffic which could be handled by the available motive power would be 5 to 8 percent below even 1944.

By contrast to the uncertainty concerning the adequacy of road property and motive power, the situation with respect to freight and passenger cars is strikingly clear. The number of freight cars available in 1957 has been estimated at 1.4 percent below the number in the peak World War II year 1944 and the aggregate capacity 5.8 percent greater than in the latter year. Taking into account the fact that 24 percent of the freight cars are over 30 years old and 36 percent are over 25 years old, and assuming a 6- or 7-day workweek, it seems clear that the volume of traffic which could be handled in a future emergency would be but little above that of 1944. The Conway committee estimated in 1954 that 320,000 additional cars would be required to carry the maximum volume of traffic projected by the Office of Defense Mobilization, and the number of freight cars available in 1957 was approximately the same as in 1954.

The situation with respect to passenger-carrying cars is the worst of all. The number of such cars, including 1,066 retired sleeping cars stored under control of the Department of Defense, declined 28 percent between 1944 and 1956, and the aggregate carrying capacity by 30 percent. Of the cars presently available, one-half are more than 30 years old and over two-thirds are more than 25 years old. Taking into account a statement by the Department of Defense that there would be an estimated 20-percent reduction in troop-training movements as compared with World War II and allowing for the cars stored by the Department of Defense, the Conway committee found, as of 1954, that 3,434 additional cars would be required to meet maximum mobilization needs in a future emergency. After allowing for 156 additional retired sleepers to be placed in the Defense reserve there was a net increase of 1,284 cars in the above deficit between 1954 and 1956. More recently, Maj. Gen. Samuel R. Browning, Deputy Chief of Transportation of the Department of the Army, in testimony before the Smathers committee, estimated mobilization requirements at 6,731 coaches and sleeping cars, or roughly 50 percent of the number available. However, it is noteworthy that he pointed out that coaches would have to be used in place of sleeping cars by some long-distance troop movements since the requirements for the latter cars were 398 in excess of the number available.

Neither of the foregoing estimates makes any attempt to include the requirements for essential civilian travel, yet the volume of the latter would undoubtedly be greater than in World War II. The writer estimates that if the same proportion of the 1956 traffic were handled by for-hire carriers as during the World War peak 1944, and if airlines and intercity bus operators increased the load factors of their present equipment to the maximum level of World War II, the railways would have to handle well over twice as many passenger miles as in 1944. Actually they would doubtless have to handle even more because more than one-fourth of the present fleet of planes is earmarked for a Reserve Air Force fleet and because of the likelihood that fuel rationing in a future conflict would be more severe than in World War II with a consequent greater shift to for-hire transportation. Finally, in the event of widespread destruction by atomic attack the requirements for mass movement of people would be still greater.

The weaknesses of our transportation system, both intercity and local, which have been analyzed in the foregoing pages derive basically from two related trends: a shift from rail to highway and air transportation and a shift from for-hire to private transportion. Corrective measures must therefore be of a sort which will modify or supplement these trends. Considering first intercity transportation, the most fundamental corrective measures required are those which are of primary importance in peace no less than in war, namely, measures which will insure that the trends in division of traffic just referred to reflect true economic advantage in the form of lower

social cost and not artificial advantages derived from subsidies or tax and regulatory inequalities. There is also urgent need of modernizing the railway rate structure by eliminating any "umbrella" rates maintained to protect high-cost competitors and by reducing the scope of discrimination in rate-making to reflect the pervasiveness of intercarrier competition. Lack of space precludes elaboration and qualification of these propositions.

Although it is impossible to predict the extent to which the decline in railway traffic and in the capacity of railway plant would be arrested or reversed if all artificial handicaps of the railways were removed, it is a safe guess that even under these circumstances, in view of the extent to which the pattern of transportation has changed since World War II, the optimum level of railway capacity from a peacetime, profit-making standpoint would prove to be smaller than the optimum capacity from the standpoint of national defense. In any event, it has been shown above that under present conditions the railways lack the equipment, and possibly the motive power, to handle the volume of traffic which the Department of Defense has estimated that they would have to carry in a future emergency. Therefore, it would seem to be prudent for the Department of Defense to maintain a standby stock of equipment sufficient to offset this deficiency. Such a program has been criticized on the ground that it would be unduly expensive, but it would probably be less expensive than the program for a reserve merchant fleet and would be at least as essential from a defense standpoint. Moreover the imposition of charges for the use of airways and waterways—a desirable step in any case—might produce a budgetary saving equal to or greater than the cost of this program.

Consideration must also be given to the conclusions of Examiner Howard Hosmer, of the Interstate Commerce Commission, in his recently widely noted report, to the effect that, if present trends continue, railway sleeping and parlor car service will be almost extinct by 1965 and coach service (other than commutation) by 1970. If this forecast be accepted as even approximately accurate, it will manifestly be necessary to take steps to insure the availability not only of an adequate supply of passenger equipment but also of adequate passenger motive power, facilities, personnel, and organization. This would require provision in the defense budget for a subsidy sufficient to cover the out-of-pocket loss incurred as a result of the minimum level of passenger service which it is deemed necessary to maintain. It is important to note that the amount of the subsidy should be based on the carriers' out-of-pocket loss in the passenger service and not on the deficit on passenger service reported under ICC accounting rules. The danger that such a subsidy may be abused and may establish an undesirable precedent is clearly great but the importance of rail passenger transportation to national defense is such as to require that the risk be taken.

As indicated above, the situation of the railways from a defense standpoint is better in the case of tracks and terminals than in the case of equipment, although there may be some doubt as to the ability of the heavy traffic routes to carry the prospective wartime load. However, this situation threatens to change for the worse unless prompt action is taken. Consolidation has long been urged as a necessary step in strengthening the financial position of the railways and several important mergers are currently under consideration. One of the principal benefits expected from such mergers is the elimination of duplicate facilities. While this may be desirable from a financial standpoint, it will have the effect, at least in some cases, of removing excess capacity required in the interest of national defense. The appropriate remedies for this situation are less clear and present more difficulties than in the case of providing the necessary railway equipment. One possibility would be for the Department of Defense to pay a subsidy equal to taxes and the minimum cost of maintenance on facilities which are found to be superfluous in peacetime but which provides essential reserve capacity for defense.

It must be repeated, however, that efforts should be concentrated on measures which will insure that the railways secure all the traffic which they can handle at lower social cost than their competitors, and that the foregoing and similar measures be undertaken only to the extent that optimum railway capacity from an economic standpoint remains below the the level required by considerations of national defense.

The adaptation of local transportation to the requirements of national defense is a more complicated problem than that of intercity transportation, being involved in the problem of overall urban and metropolitan area planning, and is one for which no comprehensive solution is at hand. The basic difficulty is that considerations of national defense call for predominant reliance upon public transportation whereas personal comfort and convenience in most instances dictate predominant reliance upon private transportation, and the pattern of urban living and of location of industry has been adapted to this fact. Under these circumstances there is virtually no possibility of adopting measures which will increase the role of public transportation to the extent required by considerations of national defense. Even if this result were possible, it is not clear that it would be consistent with the requirements of overall urban planning. An additional difficulty is that planning for defense must be on a national basis whereas local transportation by its nature can be influenced by national policy only indirectly if at all.

Under the circumstances the best that can be done is take measures which will stabilize, and perhaps bring about a modest expansion in, the role of local public transportation. First, the use of automobiles can and should be controlled to some extent by measures designed to minimize traffic congestion, especially in downtown areas; these measures include in some instances a requirement of off-street parking and in others a level of on-street parking charges high enough to insure a rapid turnover in the use of space. The effect of these and similar measures would be to increase the expense of using automobiles at times and places where traffic congestion occurs and thus to discourage somewhat the use of automobiles under these conditions. Second, some form of tax relief and/or subsidy will be necessary in most cases. Wilfred Owen, in his recent comprehensive study of urban transportation problems, suggests what amounts to a pooling of revenue from all forms of local transportation. He would have a portion of the gasoline tax revenue generated in urban areas used to subsidize public transportation, on the ground that automobiles and buses use streets in common, that automobile users rely upon public transportation when cars are not available, and that the maintenance and extension of public transportation reduce the volume of street and highway capacity required to handle peak traffic movements and thereby reduce the financial burdens on automobile users. Owen points out that it is more logical for urban automobile users to subsidize urban public transportation than to subsidize users of local rural roads, which to some extent is the situation under present allocations of gasoline tax revenue. Third, there should be further experimentation in the pricing of urban transportation with the objective both of increasing revenue and of maximizing utilization of facilities.

Finally, the increasing extent to which the Federal Government assists in providing facilities for local transportation by sharing in the cost of urban extensions of the Federal-aid highway system will do more harm than good unless consideration is given to the appropriate roles of public as well as private local transportation and the relation of both to overall community plans. Therefore, urban highway grants should be conditioned on the presentation of community plans which include appropriate provision for public transportation, and this requirement might have the further desirable effect of providing an additional incentive to localities to maintain public transportation necessary in the interest of national defense. Some would go further and provide Federal subsidies to local public transportation as a supplement to urban highway grants. However, even if the foregoing and other measures thus far suggested were adopted, it is probable that, unfortunately, local transportation would remain a vulnerable spot in the armor of national security.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 1, 1959, he presented to the President of the United States the enrolled bill (S. 947) for the relief of Lenora Bent.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, if there is no other business to come before the Senate, I move that the Senate now stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, June 2, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 1, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Philippians 4: 6: *Have no anxiety about anything, but in everything by prayer and supplication with thanksgiving let your requests be made known unto God.*

God of grace and mercy, Thou art the light of all that is true, the glory of all that is beautiful, and the inspiration of all that is good.

We penitently confess that so frequently we allow ourselves to become troubled in spirits, depressed, and apprehensive.

Grant that we may be emancipated from all anxious and rebellious tempers of mind and heart and be delivered from those errors which blind, those doubts which darken, and the fears which weaken us.

Quicken our souls with a new hope and fill them with the glad assurance that Thou art always willing and ready to give Thyself unto us according to our needs.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, May 28, 1959, was read and approved.

MESSAGE FROM THE SENATE

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

H.R. 5676. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. HAYDEN, Mr. KEFAUVER, Mr. FREAR, Mr. BIBLE, Mr. YOUNG of North Dakota, Mr. HRUSKA, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

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.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. BIBLE, Mr. CHAVEZ, Mr. HAYDEN, Mr. MONRONEY, Mr. JOHNSTON of South Carolina, Mr. HRUSKA, Mr. BRIDGES, and Mr. KUCHEL, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 17. Concurrent resolution authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 947. An act for the relief of the estate of Verentes Bent, deceased.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 607) entitled "An act for the relief of the estate of Sinclair G. Stanley," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. HART, and Mr. DIRKSEN to be the conferees on the part of the Senate.

MEMORIAL DAY ADDRESS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include an address by Senator JOHNSON of Texas.

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

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, at Hyde Park, N.Y., on Memorial Day, Senator LYNDON B. JOHNSON addressed the Hyde Park Home Club at the gravesite of the late President Franklin D. Roosevelt. Senator JOHNSON spoke with feeling and deeply impressed all of us who were privileged to hear him. My mother and family are most grateful to him and hope his words will gain wide recognition.

FRANKLIN D. ROOSEVELT

(Memorial Day address by Senate Democratic Leader LYNDON B. JOHNSON, Hyde Park, N.Y., May 30, 1959)

Mrs. Roosevelt, Congressman ROOSEVELT, and members of the family, ladies and gentlemen, grateful debtors all of us, pilgrims from many far off homes, we here commemorate the honored dead of Hyde Park, the home of Franklin Roosevelt. The hallowed places of our country are many. But this place is a shrine for the whole free world.

As with too few men, Franklin Roosevelt's home and home folks were a part of him and he of them. Here he was a solid countryman at heart, and as Churchill has said, a countryman used to natural catastrophe of flood and drought, lightning and storm, doesn't panic at human catastrophe.

All who lived here with him and all generations before him buried here contributed to what he was and what he did. We know he felt with Edmund Burke that society is a compact between the living, the dead, and those yet unborn, and a responsible statesman must at the same time respect and cherish all three.

In all Franklin Roosevelt did to meet the turmoil of his times he was never afraid of catastrophe, natural or human. He knew there was nothing to fear but fear itself. And he never forgot that he was an instrument of the American dream.

Fifteen years after his death, we are getting some perspective, some insight into the overall accomplishment of Franklin Roosevelt. It is too simple to say that he saved his Nation and he saved his world. This we know. Already, this is clearly the verdict of history.

DEMOCRATIC FORMS AND REALITY

The more absorbing question is how he managed to meet the terrible problems of depression and war without sacrificing the traditional liberty and democratic forms of the simpler 19th century civilization of America.

Revolution was in Roosevelt's day the order of the world. Only the English speaking nations were able to meet their problems without sacrificing the form and the substance of parliamentary democracy. Italy substituted fascism; Russia, international communism; Germany, nazism; and Japan, military dictatorship. All of these nations insisted upon, even glorified in, violence as a tool of state.

The glory of Roosevelt and the New Deal is, as I have said, that their achievements, both in peace and in war, were through the democratic process.

THE MIDDLE CLASS

Our hindsight, as we stand in memory before his grave today, allows us to see that certainly one of the most enduring of his accomplishments has been the strengthening of the great American middle class. This is the group most devoted to democracy and to a parliamentary and judicial process.

Here in 1933, as elsewhere in the world, were a small handful of very rich and masses of poor and dispirited. The backbone of the Nation, the homeowners, the merchants, and the small businessmen, professional men, were being ground into poverty.

Today almost all of America can be described as middle class in the best sense of the word. Our people are prosperous, devoted to home ownership and to private property, insistent in the preservation of their rights, strong and stable financially, demanding education for their children.

This is no happenstance, no latter-day miracle. It is the heritage of the New Deal. Roosevelt made money the servant and not the master of the people by his financial legislation. He promoted efficiency and economy in our lagging monopolies by such direct yardsticks as TVA. The productive machinery of our industries was stimulated, first, by the needs caused by the depression and, second, by the necessity of preparing ourselves for defense against the dictators of the world.

APPRENTICESHIP AND FULFILLMENT

How was he able as the only leader in the world to preserve the continuity between the past and the present and project it into the future?

Possibly just to live in government in New York State in the early period of his life was to anticipate the opportunities and the problems that were later to come to the whole Nation and acquaint him with the new forces that were to transform the world. In his freedom from fear he not only refused to obstruct these new forces, he encouraged and expanded them.

Franklin D. Roosevelt was born almost in the year of the erection of the Statue of Liberty—the symbol of the immigrant—whose 75th anniversary was observed last year.

The most significant forces of his early years were the emigration from the East to the West and the immigration from old Europe to the New World. The fullest impact of these forces was felt first in New York. New York Harbor was the important port of entry for the new immigrant. The Hudson River and the Erie Canal were the most important routes west for hundreds of thousands of farm settlers into the great West.

The American State is the only one in history—with the possible exception of ancient Athens—which arranged for its own bloodless invasion—with the sole condition that the newcomers take on the American identity of all.

FUSION OF SPIRIT

In this 75th year of the Statue of Liberty, it is not too much to say that the Democratic Party of Alfred E. Smith and Robert Wagner and Woodrow Wilson and the public schools were the means by which this fusion of spirit was accomplished. It is not too much to say that Franklin D. Roosevelt was both its master chemist—and its personal catalyst.

Neither he, nor the Democratic Party need look to the polls for vindication. The sons and daughters of these immigrants, gracing the highest places and councils of this Nation give full and magnificent answer every day of their highly useful and effective lives.

There were no underprivileged sections any more than classes, races, or creeds in his concept of the American dream. This he had received in trust from his fathers to improve for his own generation and to keep open for the future.

A NATIONAL PRESIDENT

He was a New Yorker and an easterner. But one of the first tasks which he set himself was the raising up of the South, economic problem No. 1, still suffering from the destruction of capital in the War Between the States. He was an easterner and a New Yorker, but the second important task he set himself was to bring to the West the electric power, the rural electrification, and the water which it needed to grow. And

the West and the South will forever love him, and follow where he led.

Franklin D. Roosevelt knew that the development of individual talent was the key to national well-being, as the raindrop is to the brook, and the brook to the river. Our democracy as such is not only opposed to mediocrity; it may justly claim that its fair chance for individual development is the only system in the world which provides for the bloodless rise of a functioning aristocracy. By their works not their words, shall ye know them. That is the measure of true aristocracy.

As the last generation saw the doors opened widely to all, for equal opportunity, the coming generations will apply the same standards to all, as befits a noble, competitive people.

VOICE OF HOPE

We need today to hear again the voice of Roosevelt through those whom he inspired and touched with fire. We need a voice that today gives hope and aspiration to the liberty-seeking peoples of central Europe—to the Poles and the Czechs and the Hungarians and the divided German people behind the Iron Curtain. We need the same kind of hope that the Democratic Party gave to the immigrant in Roosevelt's youth and that Roosevelt gave to a distraught and hopeless nation and world in his maturity. Our service at this shrine is a testimony to our faith as well as our hope that that voice will never die.

Here was the beginning, but here is not the end. Tens of thousands of people come to this shrine to renew their faith, as well as to pay their respect. All races, creeds, and nations are the better for his life, and of no man can more be said.

He was born an American, but he belongs to the world. Humbly, proudly, and reverently, we claim him as President Franklin D. Roosevelt of the United States of America. But his name, his great heart and spirit, and his magnificent life are a guardian in the skies—protecting his people whom he loved, always.

NATIONAL LITTLE LEAGUE BASEBALL WEEK

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "Concurrent resolution authorizing and requesting the President to proclaim the week beginning the second Monday in June of each year as National Little League Baseball Week."

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

Mr. ARENDS. Mr. Speaker, reserving the right to object—and I shall not object—has this been cleared with all the Members concerned?

Mr. DOWDY. It has.

Mr. ARENDS. It is merely an acceptance of a Senate amendment?

Mr. DOWDY. To amend the title, that is all; there is no other change.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day.

The Clerk will call the first bill on the calendar.

CAPTAIN ANTHONY MELDAHL DAM

The Clerk called the bill (H.R. 904) to rename the New Richmond Dam in the State of Ohio as the Captain Anthony Meldahl Dam.

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 New Richmond Dam on the Ohio River near Chilo, Ohio, shall be known and designated as the Captain Anthony Meldahl Dam. Any law, regulation, document, or record of the United States in which such dam is referred to under any other name or designation shall be held to refer to such dam as Captain Anthony Meldahl Dam.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the New Richmond Locks and Dam on the Ohio River near Chilo, Ohio, shall be known and designated as the Captain Anthony Meldahl Locks and Dam. Any law, regulation, document, or record of the United States in which such locks and dam are referred to under any other name or designation shall be held to refer to such locks and dam as Captain Anthony Meldahl Locks and Dam."

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.

The title was amended so as to read: "A bill to rename the New Richmond Locks and Dam in the State of Ohio as the Captain Anthony Meldahl Locks and Dam."

A motion to reconsider was laid on the table.

DEFENSE DEPARTMENT OVERSEAS TEACHERS PAY AND PERSONNEL PRACTICES ACT

The Clerk called the bill (S. 96) to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask several questions concerning this legislation. I am concerned as to whether or not this legislation will put all teacher personnel working for the Department of Defense overseas under the pay scales and other legislation of the District of Columbia.

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

Mr. FORD. I would be very glad to have the question answered.

Mr. PORTER. Our colleague, the gentleman from Virginia [Mr. BROYHILL] sat with the committee in the hearing on this bill and is a ranking minority member of the committee. I think the gentleman ought to answer the inquiry.

Mr. BROYHILL. Was the gentleman's question whether or not there were other employees overseas working under legislation similar to this?

Mr. FORD. As I understand it, this legislation seeks to put the Department of Defense oversea teachers under the Pay and Personnel Practices Act of the District of Columbia.

Mr. BROYHILL. That is correct, but not in excess of what the District of Columbia schoolteachers are now receiving.

Mr. FORD. The question that comes to my mind is this: If the pay is increased in the District of Columbia for the teachers here; does that automatically increase the pay of teachers in the Department of Defense oversea teachers program?

Mr. BROYHILL. No; this would make it permissive.

Mr. FORD. What assurance do we have that that would not be the case?

Mr. BROYHILL. The intent of the legislation is to make the salaries and positions of oversea schoolteachers in line and competitive with those in the continental limits of the United States. You see we have a good school system there with 108,000 students overseas and 4,500 schoolteachers. It is a good school system and we want to assure that it remains a good school system as it is here within the continental limits.

Mr. FORD. I am quite familiar with the program because in our Subcommittee on Military Appropriations we have to pay the bill, and it is a very substantial bill on an annual basis. In fact, in some respects, I think the costs are too much. I am fearful that this legislation might add to the cost unnecessarily. It has been my experience that we have many more applicants for these teacher positions than there are vacancies. There is no lack of teacher applicants for these oversea jobs. I am personally concerned about this program getting out of hand, and I wonder if this legislation is a step in that direction.

Mr. BROYHILL. It is estimated that the maximum cost of this legislation providing they bring all of the costs up to the same level as the District of Columbia teachers, the maximum cost is $270,000 a year. It is true that they are not having a problem in recruiting teachers right now, but it is felt by having a more realistic schedule there, we might be able to keep the teachers over there just a little bit longer and in the long run it would be more economical than the present system.

Mr. FORD. I believe I would like to take a further look at this proposed legislation primarily because the subcommittee of which I am a member, of

the Committee on Appropriations, has to pay this bill and I have grave fears that the cost of this program could get out of hand and that this legislation may contribute to it.

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

Mr. FORD. I yield.

Mr. PORTER. I share the gentleman's concern as to the costs, but I do want to point out that the per capita cost for the students overseas is $252 compared to something like $434 for the students in the District of Columbia which is considerably lower, therefore, than in the District of Columbia or than say Maryland, for example, which has a per capita cost of $366. In other words, the costs are not out of line. The Department of Defense, which supports this bill, estimates that this will only mean an overall cost of $270,000 a year and this is primarily a matter of keeping and getting, as the gentleman from Virginia [Mr. BROYHILL] pointed out, better teachers overseas. The recruitment program shows more people applying for jobs than there are jobs to be filled. This will enable us to get a higher class teacher for a very small amount of money. The sum of $270,000 is the maximum estimated by the Defense Department. It would mean a great deal to the overseas teachers who are doing such a fine and important job.

Mr. FORD. I know that either last June or July the cost per student according to the money appropriated was $255 per pupil. The cost was more because of the increased pay of all Government personnel, including these overseas teachers. That increased the per student cost overseas to $265.

The defense appropriation bill which will be before us for consideration later this week still carries the cost at $265 per pupil. That does not seem to coincide with the $252 figure the gentleman just quoted. Maybe we should reduce it from $265 to $252.

Mr. PORTER. Mr. Speaker, if the gentleman will yield further, last year according to my information your committee appropriated a little over $27 million, representing about $252 for each of the 108,000 pupils. I want to state to the gentleman that if we could educate at that cost children in the United States, Maryland, New York, which is the highest, or in my own State of Oregon, which is very high—Oregon, for example, is $413 per pupil—the local taxpayers would be delighted. In other words, this $252 per pupil overseas—and the standards are high—is an excellent figure and one I think we should not feel is too high.

Mr. FORD. I now yield to the gentlewoman from Ohio [Mrs. BOLTON] who has been seeking recognition.

Mrs. BOLTON. I thank the gentleman for yielding to me.

Mr. Speaker, I am very happy to be able to comment at this point. About a year and a half ago when I was overseas I visited some of these schools. Afterward when I made my objections to the educational group in the Pentagon I was told, as we have been told here today, that there were more applications than there were places to be filled.

Then I asked for investigation to be made of the type of teacher, because what I saw there shocked and disheartened me very much. Overseas we have an opportunity to teach the standards of living and of good behavior of the United States. Although most of the teachers I saw were excellent representatives of American teachers, others were rather blatantly not. Certainly they would not make good demonstration of our culture for the people of the whole area. I would like to be able to feel that the committees involved here would take a serious view of the type of teacher who is chosen. The kind of investigation that was made by the Army was so casual that, after it was all over, nobody at the Pentagon ever answered my question.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection and ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

FURTHER AMENDING REORGANIZATION ACT OF 1949

The Clerk called the bill (H.R. 5140) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act.

Mr. McCORMACK. Mr. Speaker, I think this is the same bill that is scheduled for consideration tomorrow. I ask unanimous consent that the bill may be passed over without prejudice.

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

There was no objection.

PAYMENT OF CERTAIN EXCESS REAL PROPERTY EXPENSES

The Clerk called the bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

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 second sentence of subsection (b) of section 204 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 388, as amended; 40 U.S.C. 485 (b)) is hereby further amended to read as follows: "Not more than an amount to be determined quarterly by the Director of the Bureau of the Budget may be obligated from such fund by the Administrator to pay the direct expenses incurred for the utilization of excess property and the disposal of surplus property under this act for fees of appraisers, auctioneers, and realty brokers, and for advertising and surveying."

With the following committee amendment:

Strike out all language after line 5, page 1, of the bill and substitute the following language therefor: "further amended by deleting the word 'dispositions' from the second sentence of said subsection (b) and inserting in lieu thereof the words 'utilization of excess property and the disposal'."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LANDS IN OKLAHOMA FOR CHEYENNE AND ARAPAHO INDIANS

The Clerk called the bill (H.R. 816) to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians.

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 there are hereby eliminated from the Cheyenne and Arapaho subagency reservation at Concho, Oklahoma, approximately four thousand nine hundred acres of land considered excess to the present school and agency reserve needs. The Secretary of the Interior is authorized to set aside in trust for the use and benefit of the Cheyenne and Arapaho Tribes of Oklahoma such land located in township 13 north, range 7 west and range 8 west, Indian meridian, Canadian County, Oklahoma, together with improvements thereon.

With the following committee amendment:

Page 1, line 12, strike out the period and add the following language: "upon agreement of the Cheyenne and Arapaho Tribes to eliminate from their suit now pending before the Indian Claims Commission under the Act of August 13, 1946 (60 Stat. 1049) any claim based on alleged inadequate compensation for said land and to renounce any other claim they may have with respect thereto. Nothing contained in this Act shall be construed as an admission of liability on the part of the United States with respect to these or any other lands."

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.

USE OF LOAN FUND TO ASSIST KLAMATH INDIANS

The Clerk called the bill (H.R. 5519) to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that an identical Senate bill (S. 1242) be substituted for the House bill.

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

There was no objection.

The SPEAKER. Is there objection to the present consideration of the Senate 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 the Secretary of the Interior is authorized to make loans, without interest, from the revolving fund authorized by the Acts of June 18, 1934 (48 Stat. 986; 25 U.S.C. 470), and June 26, 1936 (49 Stat. 1968; 25 U.S.C. 506), as amended and supplemented, to members of the Klamath Tribe of Indians who elected to withdraw from the tribe pursuant to the Act of August 13, 1954 (68 Stat. 718; 25 U.S.C. 564), as amended, regardless of the degree of Indian blood of the borrower, and to collect such loans by setoff against funds payable to the borrower pursuant to said Act of August 13, 1954, as amended. The Secretary is also authorized to refinance from such revolving fund any loan made by a lending agency to a withdrawing Klamath Indian that is secured by encumbrance of his beneficial interest in tribal property with the approval of the Secretary as required by section 4 of said 1954 Act, and to include therein a nonreimbursable grant equal to the interest charges incurred by the borrower prior to such refinancing. In the event adequate funds are not available from the revolving fund to refinance a loan by such lending agency, the Secretary is authorized to pay from the revolving fund, without reimbursement, the interest charged on such loan.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 5519) were laid on the table.

ADDING CERTAIN PUBLIC DOMAIN LANDS IN NEVADA TO THE SUMMIT LAKE INDIAN RESERVATION

The Clerk called the bill (H.R. 6234) to add certain public domain lands in Nevada to the Summit Lake Indian Reservation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill S. 1217, an identical bill to the House bill, be considered in lieu of H.R. 6234.

The Clerk read the title of the Senate bill.

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

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the southeast quarter northeast quarter, northeast quarter southeast quarter section 20, township 42 north, range 26 east, Mount Diablo meridian, Nevada, situated within the exterior boundaries of the Summit Lake Indian Reservation, Humboldt County, Nevada, containing 80 acres, are hereby withdrawn from the public domain, subject to any valid existing rights heretofore initiated under the public land laws, and added to and made a part of the Summit Lake Indian Reservation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION (OREGON)

The Clerk called the bill (H.R. 6914) to donate to the Confederated Tribes of the Warm Springs Reservation, Oregon, approximately 48.89 acres of Federal land.

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 all of the right, title, and interest of the United States in the land described below are hereby declared to be held in trust for the Confederated Tribes of the Warm Springs Reservation, Oregon: Commencing at a point 5.38 chains west of center of section 25, township 9 south, range 12 east, north 30 chains, west 17.08 chains, south 20 chains, east 2.50 chains, south 10 chains, east 14.63 chains to point of beginning, containing 48.89 acres more or less, being parts of lots 5, 6, 11, 12, and 14 of section 25, township 9 south, range 12 east, Willamette meridian, Jefferson County, Oregon.

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.

AUTHORIZING SECRETARY OF THE INTERIOR TO ACQUIRE LANDS OR INTEREST IN LANDS FOR THE GEOLOGICAL SURVEY

The Clerk called the bill (H.R. 4483) to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey."

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 Act of December 24, 1942 (ch. 822, 56 Stat. 1086), is hereby amended to read as follows: "That the Secretary of the Interior may, on behalf of the United States and for use by the Geological Survey in gaging streams and underground water resources, acquire lands by donation or when funds have been appropriated by Congress by purchase or condemnation, but not in excess of ten acres for any one stream gaging station or observation well site. For the same purpose the Secretary of the Interior may obtain easements, licenses, rights-of-way, and leases limited to run for such a period of time or term of years as may be required for the effective performance of the function of gaging streams and underground water resources: *Provided,* That nothing in this Act shall be construed as affecting or intended to affect or in any way to interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this Act, shall proceed in conformity with such laws, and nothing in this Act shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water, in, to, or from any interstate stream or the waters thereof."

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.

AMENDING FEDERAL EMPLOYEES PAY ACT OF 1945

The Clerk called the bill (H.R. 6134) to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years.

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 604(b) of the Federal Employees Pay Act of 1945 (59 Stat. 303; U.S.C. 944(b)) is amended by striking out the following sentence: "When a pay period for such officers and employees begins in one fiscal year and ends in another, the gross amount of the earnings for such pay period may be regarded as a charge against the appropriation or allotment current at the end of such pay period."

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.

CUSTIS-LEE MANSION IN ARLINGTON NATIONAL CEMETERY

The Clerk called the bill (H.R. 5138) to extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That to make possible the restoration and preservation of a portion of the historic grounds associated with the Custis-Lee Mansion which, pursuant to the Act of June 29, 1955 (69 Stat. 190), has been dedicated as a permanent memorial to Robert E. Lee, the Secretary of the Army is authorized and directed to transfer to the jurisdiction of the Secretary of the Interior, without remuneration, for addition to the Custis-Lee Mansion, approximately 0.76 acre of land within the Arlington National Cemetery lying immediately south of the Custis-Lee Mansion, more particularly described as follows:

Beginning at a bronze disc in the east curb of Sherman Avenue at the southwest corner of the present Custis-Lee Mansion grounds marked C L 3, thence with the east curb of Sherman Avenue in a southwesterly direction 117.03 feet along the arc of a curve whose radius is 175.96 feet and whose long chord bears south 36 degrees 49 minutes 12 seconds west for 114.89 feet to a bronze disc in the curb marked C L 4, thence leaving Sherman Avenue, east 121.33 feet to a bronze disc set in concrete and marked C L 5, thence south 00 degrees 59 minutes 04 seconds east 135.03 feet to a bronze disc set in concrete and marked C L 6, thence north 88 degrees 33 minutes 40 seconds east 103.75 feet to a bronze disc set in concrete and marked C L 7, thence north 47 degrees 10 minutes 49 seconds east 10.03 feet to a bronze disc set in concrete and marked C L 8, thence north 1 degree 12 minutes 50 seconds east 217.61 feet to a bronze disc set in concrete and marked C L 9 in the south line of the present Custis-Lee Mansion grounds (the last three courses being 4 feet north, northwest, and west, respectively, from rows of existing headstones), thence with the south line of the present Custis-Lee Mansion grounds and

along the south side of an existing brick wall, west 170.46 feet to the place of beginning, containing 33,151 square feet or 0.76106 acre of land more or less, in accordance with a plat of survey made by National Park Service, National Capital Parks dated September 20, 1955, and bearing file number NCP 2.3-94.

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.

CITY OF WARNER ROBINS, GA.

The Clerk called the bill (H.R. 5927) 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.

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 Air Force is authorized and directed to convey to the city of Warner Robins, Georgia, at the fair market value as determined by the Secretary of the Air Force, all the right, title, and interest of the United States in and to approximately 29 acres of land comprising a part of the Robins Air Force Base, including improvements which may be located thereon at the time of the conveyance as outlined in red on Robins Air Force Base map, sheet 1 of drawing numbered 8-58-105 dated October 16, 1958, on file at Robins Air Force Base, Georgia.

SEC. 2. The conveyance authorized by this Act shall be subject to the retention by the United States of a right-of-way for utility lines and over the land herein authorized to be conveyed.

SEC. 3. The Secretary of the Air Force may include in the deed of conveyance authorized under this Act such terms and conditions as he considers to be in the public interest.

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.

AUTHORIZING SECRETARY OF THE NAVY TO ACQUIRE CERTAIN REAL PROPERTY IN THE COUNTY OF SOLANO, CALIF.

The Clerk called the bill (H.R. 697) to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes.

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 Navy is authorized to acquire on behalf of the United States, by gift, purchase, condemnation, or otherwise, the real property described in section 3 of this Act, for the purpose of relocating thereon certain railroad tracks located on the date of enactment of this Act on the real property described in section 4 of this Act.

SEC. 2. Upon acquisition of the real property described in section 3 of this Act, the Secretary shall convey to the county of Solano, California, all right, title, and interest of the United States in and to the real property described in section 4 of this Act, upon payment to the United States by such county of all expenses incurred by the United States under the first section of this Act, including expenses incurred by the United States in relocating the railroad tracks referred to in such first section.

SEC. 3. The real property to be acquired by the Secretary under the first section of this Act is situated in the county of Solano, California, and is more particularly described as follows:

A PORTION OF PARCEL NUMBERED 1

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet, central angle 17 degrees 03 minutes 20 seconds, and length 87.18 feet, to the true point of beginning, said point being north 0 degrees 06 minutes 33 seconds west, 152.70 feet distant from the northwest corner of parcel numbered 2 described in book 385 at page 190 of official records of Solano County; thence north 0 degrees 06 minutes 33 seconds west, 76.10 feet; thence along a curve to the right of radius 316.56 feet, central angle 15 degrees 46 minutes 42 seconds, and length 87.17 feet to a point, said point being south 11 degrees 45 minutes 08 seconds east, 20.30 feet distant from the southeast corner of parcel numbered 2 described in book 385 at page 190 of the official records of Solano County; thence south 11 degrees 45 minutes 08 seconds east, 36.28 feet; thence along a curve to the left of radius 286.56 feet, central angle 24 degrees 57 minutes 46 seconds, and length 124.85 feet to the true point of beginning.

A PORTION OF PARCEL NUMBERED 2

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet; central angle 61 degrees 54 minutes 05 seconds and length 309.59 feet to the true point of beginning; thence north 11 degrees 45 minutes 08 seconds west, 31.14 feet to a point, said point being south 11 degrees 45 minutes 08 seconds east, 8.86 feet distant from the Hans Adler property as said property is described in book 109 at page 374 of official records of Solano County; thence along curve to the right of radius 316.56 feet, central angle 13 degrees 35 minutes 13 seconds, and length 75.07 feet; thence along a line tangent to the curve north 77 degrees 02 minutes 44 seconds east, 198.27 feet, said line being a portion of the south line of the Hans Adler property described in book 109 in page 374 of official records of Solano County, thence along a curve to the left of radius 286.56 feet, central angle 42 degrees 24 minutes 55 seconds, and length 212.14 feet to the south line of lot numbered 4 of El Campo Gardens subdivision recorded in book 14 at page 15 of official records of Solano County, thence along the south line of lot numbered 4 north 77 degrees 02 minutes 44 seconds east, 36.14 feet to the west line of the Southern Pacific Railroad Company right-of-way; thence along said right-of-way line south 5 degrees 16 minutes 03 seconds west, 6.06 feet; thence along a curve to the right of radius 316.56 feet central angle 46 degrees 35 minutes 01 seconds and length 257.39 feet; thence south 77 degrees 02 minutes 44 seconds west, 198.27 feet to a curve to the left, along said curve of radius 286.56 feet, central angle 15 degrees 10 minutes 36 seconds a distance of 75.91 feet to the true point of beginning.

A PORTION OF PARCEL NUMBERED 3

Beginning at a point 15.00 feet easterly and at right angles to engineers station 130+78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56, central angle 77 degrees 04 minutes 41 seconds, and length 385.50 feet; thence north 77 degrees 02 minutes 44 seconds east, 198.27 feet; thence along a curve to the left of radius 316.56 feet, central angle 46 degrees 35 minutes 01 seconds, and length 257.39 feet; thence along the Southern Pacific Railroad Company right of way north 5 degrees 16 minutes 03 seconds west, 6.06 feet, to the true point of beginning; thence south 77 degrees 02 minutes 44 seconds west 36.14 feet along the south line of lot numbered 4, El Campo Garden Subdivision, said subdivision is recorded in book 14 at page 15 of official records of Solano County; thence northeasterly along a curve to the left of radius 286.56 feet, central angle 13 degrees 45 minutes 44 seconds, and length 68.83 meet; thence along the east line of lot numbered 4 south 5 degrees 16 minutes 03 seconds east, 52.20 feet to the true point of beginning.

SEC. 4. The real property of the United States to be conveyed by the Secretary under section 2 of this Act is situated in the county of Solano, California, and is more particularly described as follows:

PARCEL NUMBERED 23

In the county of Solano, State of California, that portion of County Road Numbered 85 occupied in the year 1955 by the roadbed of the San Francisco and Napa Valley Railroad extending approximately from engineers' railroad centerline station 138+00 to 203+00; being the railroad right-of-way franchise granted by Ordnance Numbered 55, Solano County, California, adopted April 7, 1902.

PARCEL NUMBERED 24

That part situate in Solano County, California, only of the land conveyed by Mary Victoria Hamilton to the Vallejo, Benicia and Napa Valley Railroad Company by deed dated March 6, 1904, and recorded March 16, 1904, in book 145 of deeds, page 210, in the Office of the Recorder, Solano County. The land conveyed by said deed being described therein as follows:

Being a portion of the land formerly of D. and L. Mini and the Rutan estate distant about two miles southerly from Napa Junction, lying upon the west side of the Napa Road adjoining the lands formerly owned by John Mullin on the south and of D. and L. Mini on the north, said portion of land being more particularly described as folows, to wit:

Being in part a strip of triangular-shaped piece of land fronting upon the Napa Road for a distance of about eight hundred and sixty-four feet, described as follows, to wit: Said triangle of land having its apex at the intersection of the west line of Napa Road and an existing subdivision fence extending westerly from said Napa Road, said fence being distant about six hundred feet south of the residence on said property, the base of said triangle being a straight line extending northerly from said apex for a distance of about eight hundred and sixty-seven feet to a point on an existing corral fence, which point is sixty feet west of the west line of Napa Road, being also the west side of the right-of-way of the Southern Pacific Railroad Company;

Thence easterly along said corral fence distant sixty feet to an intersection with the said west line of the Napa Road. Said right-of-way also including a strip or tract of land parallel with and adjacent to the right-of-way of the Southern Pacific Railroad Company on the west side thereof, described as follows:

Beginning at a point on an existing corral fence, distant sixty feet west of the west line of the Southern Pacific Railroad right-of-way (coincident with said point above mentioned);

Thence northerly for a distance of about eight hundred and eighty-five feet to a point on an existing fence (which extends westerly from the west line of the right-of-way of the Southern Pacific Railroad Company and

is hereby designated as Mini's fence) distant seventy-five feet west of the west line of the right-of-way of the Southern Pacific Railroad;

Thence easterly for a distance of 75 feet to the said west line of said Southern Pacific Railroad right-of-way;

Thence southerly on the said west line of said Southern Pacific Railroad Company right-of-way for a distance of about eight hundred and eighty-one feet to the said corral fence; thence westerly distant sixty feet to the point of beginning; said right-of-way also including a strip of land seventy-five feet wide, parallel with and adjacent to the said right-of-way of the Southern Pacific Railroad Company on the west side thereof, said strip extending from the north line of said property (adjoining the property of D. and L. Mini) southerly for a distance of about two thousand six hundred and fifty-four feet, to said existing fence (above designated as Mini's fence) which extends westerly from the west line of the right-of-way of the Southern Pacific Railroad Company. The three strips of land herein separately described being one continuous strip or tract.

With the following committee amendments:

Page 2, line 8, add the following sentence at the end of section 2: "Any public works funds appropriated now, or hereafter available to the Department of the Navy, may be obligated for this purpose. Reimbursements to the Government on account of payments made pursuant to this Act shall be made to the appropriation against which such payments were charged."

Page 5, line 14, add the following words at the end of section 3:

"PARCEL NUMBERED 4

"A permanent easement for railroad purposes beginning at a point 15.00 feet easterly and at right angles to engineers station 130/78.26, said engineers station being in the center of the existing United States Navy railroad tracks; thence along a curve to the right of radius 286.56 feet, central angle 42 degrees 01 minutes 06 seconds length 215.03 feet, to a point on the westerly right-of-way line of Solano County Road Numbered 1070, said point being the true point of beginning; thence along said right-of-way line north 11 degrees 45 minutes 08 seconds west 36.28 feet; thence along a curve to the right of radius 316.56 feet central angle 17 degrees 34 minutes 24 seconds length 97.19 feet to a point on the easterly right-of-way line of Solano County Road Numbered 1070; thence along said right-of-way line south 11 degrees 45 minutes 08 seconds east 31.14 feet; thence along a curve to the left of radius 286.56 feet central angle 19 degrees 50 minutes 59 seconds length 99.28 feet to the true point of beginning."

The committee amendments were 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.

PERMITTING APPLICATIONS FOR MOVING COSTS RESULTING FROM MILITARY PUBLIC WORKS PROJECTS TO BE FILED

The Clerk called the bill (H. R. 4656) to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from military public works projects to be filed either 1 year from the date of acquisition or 1 year following the date of vacating of the property.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask why moving costs are not included in the acquisition costs in this bill.

Mr. VINSON. Under the law today, in addition to the fair market value of the property, allowance can be made for the cost of moving. That is what this bill relates to. This was a decision of the Congress some years ago. After a piece of property has been acquired, this permits the Federal Government to pay a certain amount, not exceeding 25 percent of the value of the property, as moving costs.

Mr. GROSS. That does not answer the question as to why the moving costs are not included in the acquisition costs.

Mr. VINSON. In the acquisition costs you must, under the law, pay the fair market value. That is the law. You pay the fair market value and that is all you pay in a condemnation proceeding or in an acquisiton by purchase. This is in addition to the fair market value. For instance, if a farmer's land is taken, you would only pay him the fair market value; then when he is required to move himself and his implements this would give to him a certain additional amount that is agreed to for the additional cost of moving. It is nothing but fair legislation.

Mr. GROSS. This is legislation that we have had in the past?

Mr. VINSON. Yes, legislation along the same line, because it primarily permits a person to occupy the property for a year in which to file a claim. The only thing that this bill does is to permit the filing of an application for moving costs within 1 year of the date of vacating the property. The law as it reads today requires the application to be filed within 1 year of the date of acquisition of the property. It is frequently in the Government's interest to permit people to remain on the property which it acquires so as to protect it from vandalism, from fire, and from other similar hazards.

Mr. GROSS. Is this same policy used in the matter of condemnation for road building?

Mr. VINSON. It has no relation to road building. This relates to land acquisitions of the military departments.

Mr. GROSS. Is this policy used in road building throughout the country?

Mr. VINSON. No; not that I know of. This deals with the acquisition of property for military purposes. When a man is inconvenienced by the acquisition, then he is paid for moving costs to some other place to find a home. This is good legislation.

The SPEAKER. Is there objection to the present consideration 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 the first two sentences of section 401b of the Act of July 14, 1952, as amended (66 Stat. 606, 624; 69 Stat. 352), are amended to read as follows: "The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force are respectively authorized, to the extent administratively determined by each to be fair and reasonable, under regulations approved by the Secretary of Defense, to reimburse the owners and tenants of land to be acquired for any public works project of the military department concerned for expenses and other losses and damages incurred by such owners and tenants, respectively, in the process and as a direct result of the moving of themselves and their families and possessions because of such acquisition of land, which reimbursement shall be in addition to, but not in duplication of, any payments in respect of such acquisition as may otherwise be authorized by law: *Provided,* That the total of such reimbursement to the owners and tenants of any parcel of land shall in no event exceed 25 per centum of the fair value of such parcel of land as determined by the Secretary of the military department concerned. No payment in reimbursement shall be made unless application therefor, supported by an itemized statement of the expenses, losses, and damages so incurred, shall have been submitted to the Secretary of the military department concerned within one year following the date of such acquisition or within one year following the date that the property is vacated by the applicant, whichever date is later."

With the following committee amendment:

Amend the title so as to read: "A bill to amend section 401b of the Act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property."

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.

DISPOSITION OF SUMS DUE A DECEASED REPRESENTATIVE

The Clerk called the bill (H.R. 6435) to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I wonder if someone would explain just what this bill would do. There are a great many Members of the House, I am sure, including myself, who would be interested in it.

Mr. BURLESON. Mr. Speaker, if the gentleman will yield, this follows the United States Code as now applicable to other Government departments. It is the same provision which is practiced by most banks of the country where they recognize a designated beneficiary after the death of the depositor. In other words, as it is now, the Sergeant at Arms is required to wait until a deceased Member's estate is probated. Under this arrangement the Member may designate a beneficiary or an alternate beneficiary. On the presentation of such required information and proof the Sergeant at

Arms is permitted to pay the beneficiary the sums he has on deposit.

Mr. BROWN of Ohio. Does this permit the payment of this fund to a person appointed by the deceased who serves as executor?

Mr. BURLESON. That is correct. In case an executor is named under a will or an administrator is appointed by a probate court, then funds belonging to a deceased Member is payable accordingly.

As a matter of fact, that is the present practice. The purpose of this measure is to make available to the survivor funds belonging to the deceased without the necessity of probate court procedures.

Mr. BROWN of Ohio. Does this apply, for instance, to any sum he may have in his stationery allowance or any other fund that actually belongs to the Member?

Mr. BURLESON. It does.

Mr. BROWN of Ohio. Now, does this permit in any way a joint and/or survivor account for the Member and his wife?

Mr. BURLESON. Yes; it does.

Mr. BROWN of Ohio. As to the money now on deposit?

Mr. BURLESON. That is permitted at the present time. The spouse may join with the Member in authorizing a joint account and alternate survivorship.

Mr. BROWN of Ohio. As far as the congressional pay is concerned; the amount deposited with the Sergeant at Arms?

Mr. BURLESON. That is correct.

Mr. BROWN of Ohio. I appreciate that explanation. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration 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 105 of the Legislative Appropriation Act, 1955 (2 U.S.C. 38a), is amended to read as follows:

"SEC. 105. When any individual who has been elected a Member of, or Resident Commissioner to, the House of Representatives dies after the commencement of the Congress to which he has been elected, the Sergeant at Arms of the House of Representatives shall pay any unpaid balance of salary and other sums due such individual (including amounts held in the trust fund account in the office of the Sergeant at Arms) to the person or persons surviving at the date of death, in the following order of precedence, and such payment shall be a bar to the recovery by any other person of amounts so paid:

"First, to the beneficiary or beneficiaries designated by such individual in writing to receive such unpaid balance and other sums due filed with the Sergeant at Arms, and received by the Sergeant at Arms prior to such individual's death;

"Second, if there be no such beneficiary, to the widow or widower of such individual;

"Third, if there be no beneficiary or surviving spouse, to the child or children of such individual, and descendants of deceased children, by representation;

"Fourth, if none of the above, to the parents of such individual, or the survivor of them;

"Fifth, if there be none of the above, to the duly appointed legal representative of the estate of the deceased individual, or if there be none, to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased individual."

With the following committee amendments:

Page 1, line 8, strike out "the Sergeant at Arms of the House of Representatives shall pay."

Page 2, line 4, after "Arms)" insert "shall be paid."

The committee amendments were 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.

VILLAGE OF HIGHLAND FALLS, N.Y., AND TITLE 10, UNITED STATES CODE

Mr. VINSON. Mr. Speaker, I ask unanimous consent that H.R. 942 and H.R. 3321, Nos. 90 and 91 on the Consent Calendar, be passed over without prejudice due to the fact the author, the gentlewoman from New York [Mrs. ST. GEORGE], is absent on account of official business.

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

There was no objection.

PROVIDING FOR THE AWARD OF CERTAIN MEDALS

The Clerk called the bill (H.R. 5569) to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed.

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 title 10, United States Code, is amended as follows:

(1) Section 3744 is amended—

(A) by amending the part of subjection (b) that precedes the numbered clauses to read as follows:

"(b) Except as provided in subsection (d), no Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, may be awarded to a person unless—"; and

(B) by adding the following new subsection at the end thereof:

"(d) If the Secretary of the Army determines that—

"(1) a statement setting forth the distinguished service and recommending official recognition of it was made and supported by sufficient evidence within two years after the distinguished service; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, as the cases may be, may be awarded to the person concerned within two years after the date of that determination."

(2) Section 6248 is amended—

(A) by inserting the designation "(a)" before the words "Except as provided" at the beginning thereof;

(B) by inserting the words "or subsection (b)" after the word "title"; and

(C) by adding the following new subsection at the end thereof:

"(b) If the Secretary of the Navy determines that—

"(1) a statement setting forth the act of distinguished service and recommending official recognition of it was made by the person's superior through official channels within three years from the date of that act or service and was supported by sufficient evidence within that time; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Navy Cross, Distinguished Service Medal, Silver Star Medal, Navy and Marine Corps Medal, or bar, emblem, or insignia in place thereof, as the case may be, may be awarded to the person within two years after the date of that determination."

(3) Section 8744 is amended—

(A) by amending the part of subsection (b) that precedes the numbered clauses to read as follows:

"(b) Except as provided in subsection (d), no Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, may be awarded to a person unless—" and

(B) by adding the following new subsection at the end thereof:

"(d) If the Secretary of the Air Force determines that—

"(1) a statement setting forth the distinguished service and recommending official recognition of it was made and supported by sufficient evidence within two years after the distinguished service; and

"(2) no award was made, because the statement was lost or through inadvertence the recommendation was not acted on;

a Medal of Honor, Distinguished Service Cross, Distinguished Service Medal, or device in place thereof, as the case may be, may be awarded to the person concerned within two years after the date of that determination."

With the following committee amendments:

On page 1, lines 7, 8, and 9 of the bill strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 2, lines 11 and 12, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 3, lines 7 and 8, strike out "Medal of Honor, Navy Cross, Distinguished Service Medal, Silver Star Medal" and substitute in place thereof "medal of honor, Navy cross, distinguished-service medal, silver star medal".

On page 3, lines 15, 16, and 17, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

On page 4, lines 4 and 5, strike out "Medal of Honor, Distinguished Service Cross, Distinguished Service Medal" and substitute in place thereof "medal of honor, distinguished-service cross, distinguished-service medal".

The committee amendments were 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.

EXPRESS GRATITUDE TO THE GROUND OBSERVER CORPS

The Clerk called the resolution (H. Con. Res. 86) to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States.

There being no objection, the Clerk read the concurrent resolution, as follows:

Whereas an air attack against the United States remained a capability of potential aggressors, requiring the maximum possible surveillance of the most likely enemy air approach areas; and

Whereas the limitations of electronic equipment required supplementation by a corps of civilian volunteer observers; and

Whereas the Ground Observer Corps was created in January 1950 as an adjunct to our air detection system to augment radar surveillance of air approach zones to the continental United States, particularly for low-altitude air attack which radar could not detect; and

Whereas the Ground Observer Corps was composed of volunteer civilian members serving throughout the United States; and

Whereas these volunteer members of the Ground Observer Corps in the performance of their duties were required to maintain constant vigilance over extended periods of time, especially from July 14, 1952, to January 1, 1958; and

Whereas other developments and improvements in our air defense system during the past year give assurance that adequate air defense can be provided without the Ground Observer Corps; and

Whereas the Ground Observer Corps was inactivated on January 31, 1959; and

Whereas these volunteers steadfastly, effectively, and without thought of personal gain or advantage maintained the watch under all conditions, from favorable to the most adverse, for a period of more than nine years; and

Whereas it is fitting and proper that a special tribute be paid to these volunteers who devotedly guarded our aerial frontiers for so many vital years: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its gratitude and appreciation to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the Corps and for the great contribution they made to the security of the United States.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MOUNT VERNON MEMORIAL HIGHWAY

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, line 3, after "'D'" insert: ": *Provided*, That nothing contained in this Act or any contract entered into pursuant to this Act, between the United States of America and the Smoot Sand and Gravel Corporation shall be construed as interfering with the uninterrupted right of the Smoot Sand and Gravel Corporation to dredge in areas 'C' and 'D' for the periods specified."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

BOSTON NATIONAL HISTORIC SITES COMMISSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4524) extending the time in which the Boston National Historic Sites Commission shall complete its work.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the joint resolution entitled "Joint resolution to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Massachusetts, and general vicinity thereof, for the purpose of preserving the historic properties, object, and buildings in that area", approved June 16, 1955 (69 Stat. 136), as amended by the Act of February 19, 1957 (71 Stat. 4), as amended by the Act of July 3, 1958 (72 Stat. 296), is further amended by striking out "four years" and inserting in lieu thereof "five years". Section 5 of the aforesaid joint resolution, as amended, is further amended by striking out "$60,000" and inserting in lieu thereof "$80,000".

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.

ADDITIONAL PROGRAM FOR TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to announce that in addition to the program for tomorrow there will be unanimous consent requests made for the consideration of the following bills:

H.R. 5104, companion bill to S. 1197, relating to the Atomic Energy Act. The purpose of that bill is to make a report or reports once a year instead of twice a year.

H.R. 5105, companion bill to S. 1228, Atomic Energy Act authorization appropriation. The purpose of that bill is to increase the authorization in connection with an important defense facility by $1.3 million.

I make this announcement so that the Members may be on the alert.

Mr. ARENDS. Mr. Speaker, if the gentleman will yield, are those to be under suspension?

Mr. McCORMACK. By unanimous consent.

Mr. ARENDS. I have no objection, Mr. Speaker.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1960

Mr. NORRELL. 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. 7453) making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, one-half of the time to be controlled by the gentleman from Washington [Mr. HORAN] and one-half by myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas.

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. 7453, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. NORRELL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman——

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for just one question?

Mr. CANNON. I yield to my friend from Michigan.

Mr. HOFFMAN of Michigan. Is this a bill in which all the Congressmen are interested?

Mr. CANNON. It is an appropriation bill.

Mr. HOFFMAN of Michigan. I should say especially interested, personally interested. It is that kind of a bill?

Mr. CANNON. Congressmen are interested in all bills reported to the House.

Mr. Chairman, I hold in my hand a magazine which has just been called to my attention this morning. I had not seen it before. In this periodical is an article intimating that I am not overly fond of Speaker RAYBURN.

And that reminds me that some weeks ago another minor magazine of the country carried an article making a statement of similar import.

So, Mr. Chairman, at the first opportunity afforded, I want to deny that statement emphatically, categorically, dogmatically, in toto and otherwise. Simply because no one else likes Speaker

RAYBURN, is no reason why I should not like him.

In fact, Mr. Chairman, I am by nature—instinctively—for the underdog and therefore, of course, I am for Speaker RAYBURN.

But the earlier article does not stop there. It does not leave well enough alone. It is really a very interesting article. Naturally so, as that is the purpose for which it was written. And it goes on to state that Speaker RAYBURN is not particularly enamored of me.

Now, that statement falls into the same category. Speaker RAYBURN told me so himself. He said there was not a word of truth in it. He said he would not waste his time and attention—bestowing even his disfavor— upon such an unimportant, inconsequential nonentity.

He went on to say—and I appreciated that—he went on to say that he was for me and he would always be for me even if I went to the penitentiary, which—he added reflectively—was quite likely.

So you can see, Mr. Chairman, how undependable these magazines can be. They render a distinct disservice to the Congress and to the country when they try—however ineffectually—to disrupt such Damon-Pythias relations as those existing—and existing through the years—between me and the Speaker of the House.

I have served in the House with SAM RAYBURN for more than a third of a century. In all that time no Member of this House—or anyone else—has ever heard me express for him anything but the warmest friendship, and so far as I am aware, him for me. In other words, the statement is utterly without basis of fact.

Of course, I am busy at this time writing Speaker RAYBURN'S autobiography. It is not one of those barefoot farm boy sort of accounts. I charitably refrain from mentioning the year of his birth or the number of times he has been elected Speaker of the House. It is a purely parliamentary analysis of his reign as Speaker. It is not to be released until he retires, or until he gets married—neither of which catastrophes appear to be imminent.

In the meantime, I reserve all points of order.

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

Mr. CANNON. I yield to the Speaker of the House.

Mr. RAYBURN. Mr. Chairman, when the gentleman from Missouri says that during all of his service in the House of Representatives and even when the gentleman from Missouri was parliamentarian of the House there has been a mutual, warm friendship and confidence between himself and me, he states the absolute fact.

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

Mr. CANNON. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Would the gentleman let us in on the secret of where that article appeared?

Mr. CANNON. It is my understanding that every Member of the House has received a copy of the magazine. The gentleman will doubtless find it on his desk.

Mr. GROSS. If it is not too long, does the gentleman intend to put it in the RECORD so that we can all read it?

Mr. CANNON. I am afraid it would appear too plausible.

Mr. NORRELL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, there are several things I would like to point out in reference to the pending bill. We are considering the legislative branch appropriation bill for 1960, sometimes called the housekeeping bill of the Congress. We hope we have presented a good bill. The bill has been written not by me, but by the members of the subcommittee, by Messrs. KIRWAN and STEED on the Democratic side and Messrs. HORAN and BOW on the Republican side with the able assistance of the chairman, Mr. CANNON of Missouri, and the ranking minority member, Mr. TABER.

Everything of consequence in this bill is authorized by law or resolution of the House.

Most of the appropriations merely continue things that have been provided for through the years.

We have a very fine clerk. I do want to say the highest words of commendation about our clerk. As far as he is concerned he is able and has done a magnificent job. I am talking about Paul Wilson, now clerk of our subcommittee.

Page 2 of the report contains a summary of the bill and a comprehensive statement of the appropriations for the next fiscal year is to be found between pages 11 and 15 of the report.

Mr. Chairman, the bill for 1960 as reported carries a total of $100,279,350. Following the custom of the past, the bill omits appropriations for the Senate and also omits certain items under the supervision of the Architect which pertain solely to that body. Such items will be added when the bill reaches the other body.

The bill before you is $5,180,655 below budget estimates of $105,460,005 and $5,748,365 below the 1959 appropriations to date. The reduction below the estimate is, in round figures, about 5 percent.

It is not practicable to make large reductions in this bill. Most of the provisions are statutory and cover necessary expenses of running the legislative establishment and do not fluctuate widely from year to year. The committee tried to make reasonable provision for necessary expenses.

Just in summary, $42,398,065 is included for items under the House of Representatives; $2,904,635 for certain joint offices and items set out in the bill; $25,335,900 for items under the Architect of the Capitol excluding, as I stated, items relating solely to the Senate; $327,500 for the Botanic Garden; $14,292,000 for the Library of Congress; and $15,020,350 for congressional printing and binding and for the Office of the Superintendent of Documents.

As appropriation bills go, Mr. Chairman, the legislative bill is not a big bill and, as I say, it is not possible to make large economies in the requests, because much of it is irreducible if the legislative establishment is to properly operate. We have followed the practice of the past in making reductions wherever we thought we could and yet still make reasonable provision for efficient functioning and services.

The largest item of decrease below the estimates is in the item for liquidation cash for obligations originally estimated to fall due next year under the Capitol Power Plant expansion program. That program operates under contractual authority granted in the basic law, the annual appropriation being for the purpose of paying the bills. There has been some slippage in the work scheduling and the evidence is that they will not need all of the funds originally estimated.

HOUSE OF REPRESENTATIVES

We recommend a total of $42,398,065 for all items under the House of Representatives section. We have made several small reductions, but I do not think any of them will in anywise interfere with the efficient functioning of the activities of the House. In some cases it is a matter of placing the judgment of the Committee as to the requirements against that of the budget estimates.

It may be of interest to call attention to the statement on page 3 of the committee report which shows that the number of clerks on the rolls of Members and Delegates is well below the total permitted by law; currently the number is approximately 1,000 less than the maximum permitted by the law. Also, the staffs of the committees are at a level somewhat below the total number authorized by law.

You may have noticed a reduction against the budget request for stationery. The situation there is explained fully on page 4 of the report, but briefly it is that the estimate assumed an extra $600 allowance but the difficulty there is that the current allowance for the first session of the 86th Congress is only $1,200 and in the absence of some authorization action to change that, the committee did not feel at liberty to go ahead and approve the estimate for an additional $600 for the second session, which is the session covered by the pending item.

JOINT ITEMS

For the various joint offices and items, as set out in the report, a total of $2,904,635 is recommended. The increase above the 1959 appropriation is for reimbursing the postal revenues for penalty mail costs. At the same time, the reduction below the estimate in this category of $900,000 is also against the mail item. We reduced that substantially because the information supplied to the committee was not sufficiently explanatory to satisfy the committee that the very sharp increase over last year was justified. The matter needs to be given further study before approving the full amount requested.

ARCHITECT OF THE CAPITOL

For all items covering the Architect of the Capitol in this bill, a total of $25,335,900 is included. This is a reduction of $3,425,700 below the estimates. As I said a few moments ago, the principal item of reduction relates to funds required to liquidate contract obligations

under the Capitol Power Plant expansion project because of some delay in the scheduling of the work.

Aside from this item, we have allowed a number of mandatory cost items which come along every year, and, for the purpose of keeping the physical plant in reasonably good order—and that includes the Library buildings—we have allowed various repair and improvement increases. We must keep the Capitol of the United States and its supporting buildings in good order. I do not think anyone would quarrel with that. The Architect asked for nine additional positions, but we have not allowed quite all of them.

The bill includes the amount requested to continue the work on the third House Office building. A summary of the status of the project is set out in some detail in the printed hearings in case you wish to refer to it; I believe it begins on page 90 of the hearings.

There is no money in the bill for the east front project because it has already been appropriated. Here again, a summary on the status of the work appears on page 75 of the hearings.

The Architect has jurisdiction of structural and mechanical care and furnishings for the Library. We made a couple of small reductions in these items but aside from that, we have allowed increases for a variety of purposes, all, however, aimed at keeping the physical plant of this valuable institution in good order; to provide a little more usable work space because they are very crowded for space in this growing institution; and to improve generally the efficiency of the operation. That is a great Library over there and it is the Library of the Congress, and for the Congress, and the committee has felt right along that we ought to keep it up and to so provide for it that we can get the kind of service needed from day to day.

BOTANIC GARDEN

There is nothing unusual about the request for the Botanic Garden. There is a net decrease below the 1959 appropriation because a special repair project provided for in the current year drops out of the budget picture for next year.

LIBRARY OF CONGRESS

Mr. Chairman, as I just indicated, we have a great Library across the street. It is the world's largest. It is an important institution. Its collections inevitably grow and grow and the demands on it continue to grow. For many years they have had trouble keeping up with the demands and they have accumulated some backlog situations which tend to impair the service of the Library of the Congress and to the Government and public generally. Their biggest single problem at the moment, and it will get worse before it gets better, is the lack of space. Unless something is done, and done fairly soon, they will soon reach the saturation point where they will have no place to store the ever increasing collections or the personnel to service them. We take note of the fact that bills have recently been introduced to authorize a study looking to a third building.

In this bill, we have been inclined, as the Congress was last year, to make reasonable provision for the Library. We have allowed some additional personnel although not quite as many as they wanted. Practically every one of them are in the low level salary grades for routine, volume-type work of one sort or another.

We have suggested a small general reduction against the budget of the Copyright Office but we believe we have provided satisfactorily for their work in the coming year. In the report, we call attention to the fact that with the rising costs of doing business in the last several years, the Copyright Office is not recovering to the Treasury as great a percentage of its costs through the charging of fees for registrations as it did 2 or 3 years ago. Fees are set by statute and they have not been changed for several years. We suggest the advisability of the legislative committees considering an upward revision in fees in the light of current conditions.

The catalog card operation continues to do well financially. It is estimated that 99 percent of the expenditure will be recovered to the Treasury this year through the sale of cards.

We have given a substantial boost, as the Library requested, for the books-for-the-blind program. That is a good program and we have been supporting it right along and we believe we ought to continue to do so.

GOVERNMENT PRINTING OFFICE

There are two items under the Government Printing Office heading, one for congressional printing and binding and the other for the Superintendent of Documents.

For printing and binding we have recommended the budget estimate of $11,500,000, and for the Office of the Superintendent of Documents we have likewise suggested approval of the estimate. No additional positions are involved here; only various mandatory cost items, and in the case of printing and binding, the increase over last year is to replace a deficiency in the appropriation. This is done under authority granted a couple of years ago because no one is in position to accurately forecast the requirements for congressional printing and binding, so we gave them authority to borrow from a succeeding year's appropriation with the understanding, of course, that the borrowing would be replaced in the ensuing year's bill.

The details of these items, as in the case of all the other items, are set out in the printed hearings.

Mr. Chairman, I have tried to touch on the principal highlights of the bill although, as I said before, there is really not too much involved in the bill this year. In general, I might summarize by saying that it provides for the legislative establishment to run along about like it has been for the last year or two, insofar as basic things are concerned.

I would be glad to respond to any questions if I can do so.

Mr. HORAN. Mr. Chairman, I will take only a short time to say that the entire subcommittee, as the chairman of our subcommittee has said, are in agreement.

Mr. Chairman, at this time I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I take this time to ask a few questions about this bill. I note on page 3 that there is provided $11,710 for a clerical assistant for the House delegation to the North Atlantic Treaty Parliamentarians Conference, a nice euphonious title.

I wonder if I might have an explanation of this item.

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

Mr. GROSS. I am glad to yield to my friend, the gentleman from Ohio.

Mr. BOW. I am delighted the gentleman has raised that question, for I did in committee. The explanation is that the NATO meeting is to be in the United States this year and this special employee was provided in a House resolution dated February 2, 1959. The question was raised as to whether or not this resolution should go in the bill as permanent law, in other words create this position permanently, to which I had some objection in committee, I might say to the gentleman.

Mr. GROSS. That is exactly the point I want to raise.

Mr. BOW. Then I went back to the CONGRESSIONAL RECORD of the day this passed the House. I should like to commend the gentleman from Iowa who is always alert on these questions on the fact that he questioned the author of the bill at the time this resolution was passed on this very question, first as to what it was for.

He was told then it was because of the NATO meeting coming to the United States. The gentleman from Iowa [Mr. GROSS] asked whether this was to be permanent and the reply was it was not to be permanent. The record is very clear on that. The gentleman from Iowa [Mr. GROSS] is to be complimented for the work he did on that day. He saved this from becoming a permanent position and because of the colloquy between the gentleman from Iowa and the author of the bill this resolution has not become a part of the permanent bill, so that at the end of the year it will expire. I compliment the gentleman from Iowa for saving the taxpayers that $11,710 a year. This would have become permanent, perhaps, if he had not been diligent back in February.

Mr. GROSS. I appreciate the statement of the gentleman from Ohio with reference to this particular item, and I trust that next year this subcommittee on appropriations, when the bill comes up for consideration, will take note of the fact this is not to be a permanent addition to the NATO Parliamentarians Conference.

Mr. BOW. I notice on page 23 of the bill, starting with line 1 and going through line 6, there is the usual provision making certain resolutions permanent law. You will note this House Resolution 36 is not included in those resolutions which have become permanent law; so that so far as the committee is concerned it has been determined it shall not become permanent law.

Mr. GROSS. I thank the gentleman from Ohio [Mr. BOW] and I want to

commend him for the attention he has given this matter in the interests of economy and stopping the growth of bureaucracy.

Now, I would like to turn to page 13 of the bill and refer to the item "Contingent expenses":

To enable the Architect of the Capitol to make surveys and studies and to meet unforeseen expenses in connection with activities under his care, $50,000.

I am wondering what is proposed. Is this a foot in the door for the building of another House Office Building?

Mr. STEED. This is an item that has been in the bill for several years. It is used by the Architect to meet any unforeseen contingencies that come up. And, the history of it is that mostly it is never all used. It is a fund he has to do certain things around the Capitol that cannot otherwise be provided for. This year, of the $50,000, as of the hearings date, they had used $29,200. The item is explained in detail on page 69 of the hearings.

Mr. GROSS. Then the gentleman would say that this is not a foot in the door to put up still another House Office Building or something of that kind?

Mr. STEED. No. This is used for studies and surveys around the Capitol that cannot be foreseen.

Mr. GROSS. I am sure the gentleman will remember that back in the 80th Congress—and I was not here at that time—a modest $25,000 was appropriated that started off the third House Office Building and the acquisition of a lot of property, at a cost of a many millions of dollars to the taxpayers of this country.

Mr. STEED. The gentleman will remember that several years ago there was a severe storm that did considerable damage to the Capitol. Sometimes we have unprecedented snowstorms that require more expense to handle than the normal provision will take care of. That is an example of the sort of emergency that this fund is set up for.

Mr. GROSS. On page 15 there is $16.5 million for acquisition of property, construction, and equipment, additional House Office Building. I assume that is in connection with the new dream castle, House Office Building, down there on Independence Avenue; is that correct?

Mr. STEED. The gentleman is correct. These are funds to pay the commitments under contract authority already granted by the Congress. The committee has no alternative except to pay the amounts that become due during the next fiscal year under this contract authority on contracts already entered into.

Mr. GROSS. Am I correct in my understanding that this third House Office Building, and the acquisition of property in connection with it, has already cost the Government some $45 million and that this, therefore, is in addition? Does the gentleman have any idea what this thing will cost before they get through with it?

Mr. STEED. We have appropriated $45 million. It has not all been expended. It is in the process of being completed. The construction program contemplated under contracts now in existence for the next year will, in combination with work in contemplation, require the additional amount now in the bill. If you will check page 94 of the hearings, you will see the breakdown and tabulation of the entire financial situation involving the building.

Mr. GROSS. It has cost approximately $45 million, and that is in addition to the $16.5 million in this bill, and no one seems to know how far this thing is going to go. Does anybody have any idea, may I ask the gentleman?

Mr. STEED. My understanding is that the total amount to be involved before the project is completed will be somewhere in the neighborhood of $82 million, as shown by the table on page 94.

Mr. GROSS. $82 million?

Mr. STEED. That is right. You will see the itemized account of what that money has been and will be used for on page 94 of the hearings.

Mr. GROSS. That is worse than I thought.

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

Mr. GROSS. I yield to the gentleman from Arkansas.

Mr. NORRELL. In 1955 we appropriated $5 million for the project, which is under general supervision of the House Office Building Commission. In 1957 we appropriated $10 million. In 1958 we appropriated $7.5 million. In 1959 we appropriated $22.5 million. Now, under this bill we are recommending $16.5 million because the contracts have practically all been let, except for the superstructure and equipment.

Mr. GROSS. I will say to the gentleman from Arkansas that were it not for the fact that a huge hole has already been dug in the ground down there and work has gone along——

Mr. NORRELL. Our committee has nothing to do with that.

Mr. GROSS. I would offer an amendment to strike out this $16.5 million.

Mr. NORRELL. The Committee on Appropriations has nothing to do with that. That is done by the House Office Building Commission, which is headed by Speaker RAYBURN.

Mr. GROSS. I understand that.

Mr. NORRELL. And Members of Congress on both the Democratic side and on the Republican side.

Mr. GROSS. I understand that perfectly. But, it is still taxpayers' money that is being spent and, to my mind, unnecessarily spent, when we have a $288 billion debt in this country. I have opposed it right down the line and I still am opposed to it, and I hope there will be no further effort made, I will say at this time, to remodel either of the existing House Office Buildings at least until that structure is completed. In other words, I will oppose the spending of any money on remodeling the Congressional Hotel or any other structure around here pending the completion of this building.

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

Mr. GROSS. I yield to the gentleman.

Mr. VINSON. In response to the inquiry the gentleman has just made with reference to the remodeling of the old House Office Building and the New House Office Building, as a member of the Commission I want to assure the House that there is no intention at this time to remodel either one of those buildings, even though we have the blueprints. Our thought is to complete the new building under construction now, and when that is finished—and I do not know in what year it will be finished; I am a little disappointed in the progress we are making—then we will cross the bridge about remodeling the other House Office Buildings.

Mr. GROSS. I thank the gentleman for that assurance. It helps a little.

Mr. HORAN. Mr. Chairman, I have no further requests for time.

Mr. NORRELL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. NORRELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, 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. 7453) making appropriations for the legislative branch 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. NORRELL. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on 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 passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ALASKA OMNIBUS ACT

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution (H. Res. 279) providing for the consideration of H.R. 7120, a bill to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes, 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. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular 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. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and I now yield myself such time as I may require.

Mr. Speaker, this rule makes in order the bill, H.R. 7120, which concerns the State of Alaska. It is a sort of omnibus bill to bring about the transition between the status of a Territory and that of statehood. Of course, there are a great many complications to a bill of that kind. I want to say that the Committee on Interior and Insular Affairs, and particularly its chairman, the gentleman from Colorado [Mr. ASPINALL], and the gentleman from New York [Mr. O'BRIEN], who engineered this nefarious Alaskan statehood bill through the House last year, have done a magnificent piece of work, in my judgment, in bringing about this transition in the bill that will be before us. I do not think there is anything controversial about this bill. I want to compliment the committee in doing what I consider to be a rather economical job, much more economical than I had anticipated. Of course, you know as a Territory, Alaska required a good deal in the way of expenditures from the Federal Treasury. This bill provides for the transition period for the next 5 years. The calculations show that if it were run as a Territory, it would cost $25 million in the next 5 years, but under this bill it will cost $28,500,000 in the next 5 years. In other words, the difference over the next 5 years is $3,500,000 in expenses. I know that is happy news to our good friend, the gentleman from Iowa [Mr. GROSS].

There is one feature of the bill which I think the committee ought to change, and I wish they would change it. When we passed the statehood bill for Alaska, I was very much opposed to the entire bill, and I was particularly opposed to a feature of the bill which gave such a tremendous proportion of the natural resources of that great area to the State of Alaska, which should belong to all of the people of the United States. There was a provision in the bill which was particularly objectionable to me because it gave for a certain period of years the right to the State of Alaska to go into any part of the land that was retained by the Federal Government and pick sections in blocks of not less than 6,000 acres. The result of that, as I saw it then, and as I see it now, is that whenever the mineral resources or any part of that great area of the earth surface are developed, then the State of Alaska can step in and take it as a part of the State rather than that land being a natural resource belonging to all of the States of the Union. In this bill, I find a little clause in the early part of the bill, which I do not think ought to be in the bill.

I think we have been generous with Alaska in the amount of territory and the amount of resources and the amount of land we have given her as a State.

On page 28 of the bill—and I think I talked to the chairman of the committee about it the other day when he appeared before the Rules Committee—section 45 authorizes the President in connection with any land or personal property up there that belong to the United States to give it to the State of Alaska in his discretion until 1964. I just think it is bad policy to authorize the President to give away property. You know, Congress gets paid pretty substantial salaries for doing those things itself, and we have delegated entirely too much authority, in my opinion, to the President and to the executive departments in many areas. This is just one more example of it. There should not be any clause in this bill to authorize the President of the United States to give away the property of the people of the United States. If there is going to be any giving away it should be done by the Congress. We had a bill under consideration the other day in which a similar clause was included, or one to the effect that not more than so many millions of dollars should be spent for the particular subject then under consideration "unless authorized by the President." We ought to look out for that sort of thing. I hope that when the bill is read this provision will be modified.

In conclusion, I just want to compliment the committee for having done a splendid job. They have produced a good bill and I hope it will be adopted.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. BROWN of Ohio. Mr. Speaker, I would like to join the gentleman from Virginia [Mr. SMITH] in support of this rule, making this bill in order, an open rule providing for 1 hour of general debate. The rule was reported unanimously by the Rules Committee.

Somewhat facetiously let me say that great minds seemingly run in the same channel today. I was prepared to call attention to section 45 on page 28 of the bill, mentioned so ably and so well by the gentleman from Virginia. But I think there are also other sections of the bill that do the same thing.

Section 45 gives the President certain powers to transfer property, both real and personal, until the year 1964, to the State of Alaska. There is no fixed amount, there is no restrictive language, as far as I can ascertain, as to the amount that might be involved.

I am also informed that section 21 on page 11 gives almost the same power, as I understand, to the Secretary of Commerce in connection with highways.

Then, section 35, on page 23, gives approximately the same power to the Administrator of the Federal Aviation Agency in connection with real and personal property situated at the air bases in Alaska.

I discussed this matter with the gentleman from Pennsylvania, the ranking minority member of the committee, but not as thoroughly as I would like; and I hope that when this bill is considered in general debate and then read for amendment, some real consideration and discussion will take place of these particular sections, and that, if it is found necessary by the House, as appears to me might possibly happen, some new restrictive language can be written into these particular sections for the protection of the general taxpaying public of the United States.

We were told that when the Alaska statehood bill was before the Rules Committee that Alaska was ready to assume the responsibilities of statehood, and that there would be no need for additional financing on the part of the Federal Government; yet we realize that this transition period must be taken care of, and it is pretty well taken care of in this bill.

The additional expenditures, as the gentleman from Virginia [Mr. SMITH] pointed out, would amount to only about $3,500,000 more in the next 5 years than if the territorial status had been continued. I hope that at the end of the 5 years there will be no further legislation required for expenditures from the Federal Treasury for the new State of Alaska, but instead that this new baby State, although the largest in the Union, will be able to stand on its own feet at that time. As has been said so ably and so well, we were very generous, that is, the Congress and the people of the United States, to the new State of Alaska in the transfer of such huge amounts of lands, more than had ever been done for any other State, with the right, I believe, to select the areas the new State may want to take over, for 25 long years. Of course, no State administration, whether it be Democratic or Republican, is going to be silly enough or stupid enough to pick bad land when they make their selection. They are going to pick the richest land, the oil lands, the mineral lands, the most productive in money and in resources, as the State's property, and we are going to find, in my opinion, that the Federal Government, the rest of us who helped pay for Alaska in the first place, and who have poured millions and millions of dollars into Alaska as a Territory, will own only a lot of arctic waste, the mountain tops, the muskeg areas, and all other lands, which are the least valuable. So I believe we should give some thorough attention to these sections. I am hoping the committee will have some suggestions as to amendments to these three sections, sections 21, 35, and 45, which will protect the property interest of the American taxpaying public.

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

Mr. BROWN of Ohio. I yield to the gentleman from Illinois

Mr. MASON. Do I understand, sir, that when we agreed to make Alaska into a State, we were more generous in giving to Alaska public lands than we have ever been to any other State? We now say we will even pay $3½ million more than we would have paid if you were a Territory to get the transfer done, and then we are saying in three sections: We will make it possible for the President, for the Secretary of Commerce, and some other people to give you more during the next few years? Is that the picture?

Mr. BROWN of Ohio. The gentleman from Illinois has made a proper statement. As I read these sections, I fear we will be giving Alaska, through these three sections 21, 35, and 45, more than the $3½ million contemplated in the other sections.

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

Mr. BROWN of Ohio. I yield to the gentleman from Colorado.

Mr. ASPINALL. In my opinion, the question asked by the gentleman from Illinois, and the way it was put, does not call for the answer tha' my colleague, the gentleman from Ohio, has given, for the reason, that first of all, the legislation provides for a transition period of 5 years. At the end of the 5-year period it will stop, and Alaska then has to take over these activities without Federal help. These activities consist only in the following categories of operation: The airports at Anchorage and Fairbanks and the small airports which are now owned by the Federal Government and operated by the Federal Government throughout the rest of Alaska; also the highway system now operated by the Federal Government; also the Federal health grant operation which we have had up there, and including the general health plan and the recreational plan. The recreational program amounts to only $100,000 a year for the first 2 years and nothing thereafter. Those activities would be carried on if we did not do something like this at the expense of the Federal Government, continuing as a territorial operation. What we are doing here is stopping the whole operation by the Federal Government in these activities at the end of 5 years. In so doing we are giving to Alaska $700,000 a year additional moneys in order to get this transition period taken care of.

Mr. MASON. Do I understand, then, that when we were so generous in giving public wealth away, in making Alaska a State, we did not take care of some of these expenses in this transition period?

Mr. ASPINALL. These are activities in which the Federal Government is presently engaged and has been for some years and will continue in the future to take care of if we do not go ahead and pass the necessary transitional legislation.

Mr. BROWN of Ohio. I want to get this matter clear in my own mind. This is a rather complex bill, somewhat controversial, and difficult to understand. Do I understand the gentleman to say that this $3.5 million extra we will spend in the next 5 years would cover all the costs included in sections 21, 31, and 45?

Mr. ASPINALL. No; I did not say that.

Mr. BROWN of Ohio. Well, does the gentleman agree that the expenditures provided for, or grants in Federal aid or property, or whatever you call it, in sectons 21, 31, and 45 would be in addition to the $3.5 million?

Mr. ASPINALL. Oh no; I did not say that.

Mr. BROWN of Ohio. It has to be one or the other.

Mr. ASPINALL. What I said was this. Take, for instance, the operation of the airport at Anchorage. That is a Federal responsibility at the present time, and unless we pass legislation, it will continue as a Federal responsibility. Now, in order to take care of it as a State responsibility by the new State of Alaska, we appropriate approximately the same amount of money to Alaska for the next 5-year period that Alaska would get under the present law, and then at the end of 5 years we have no further Federal responsibility. In the meantime, we transfer, as the gentleman has so correctly said—I think it is in section 21—the land and the airport itself.

Mr. BROWN of Ohio. And all the equipment.

Mr. ASPINALL. And the equipment, which does not amount to very much, as I will attempt to show in general debate.

Mr. BROWN of Ohio. Can the chairman give us any estimate of the amount involved? That would be in addition to operating these other projects, as I understand page 3 of the report. It would be in addition to the extra $3.5 million you ask. In other words, it would cost, if Alaska was still a Territory, approximately $25 million to carry on these operations, or to carry on this work, or whatever you want to call it, for 5 years, and under the bill it would cost $28.5 million, only $3.5 million more. In addition, at the end of the 5-year period, or at any time during that period, we give this additional property, to wit, the airport, the mental institution, and so forth, to the State free of charge, all on top of all they have already received as a new State.

Mr. ASPINALL. Which, as far as the airports, are concerned, is exactly in line with what the Federal Government has been doing for all of the States in recent years. The gentleman has asked for an itemized statement.

Mr. BROWN of Ohio. I did not ask for an itemized statement; I just requested an estimate of what the additional cost would be to the taxpayers. How much are we giving away in this section where it does not fix any amount?

Mr. ASPINALL. Knowing the interest of the gentleman from Virginia, the distinguished chairman of the committee, and my colleague from Ohio, also a member of the committee, I tried to get an itemized account since we appeared before the Committee on Rules. I was unable to get an itemized account. I do not have a definite statement of the present values, but I do have a general statement which I shall give as soon as we go into general debate.

Mr. BROWN of Ohio. Can the gentleman tell us quickly what the total amount will be?

Mr. ASPINALL. As far as the airports are concerned, I will be glad to answer. Involved in this section are the runways and the other land, airport structures which are excess to Federal needs, and airport equipment. And, remember that the Secretary must make a finding that these are excess to Federal needs, and this includes structures and equipment in excess of Federal needs.

Mr. BROWN of Ohio. But the gentleman failed to mention the amount. What is the total amount?

Mr. ASPINALL. I do not have the total amount, because the legislation came up from the Bureau of the Budget and they were unable to give it to me.

Mr. BROWN of Ohio. The gentleman has always been very fair and frank, and he always operates in good faith, and has never failed to give us any information he has, whether it is helpful to his cause or harmful. But, from the answers the gentleman has given, it appears the House is being asked to accept these sections without any knowledge as to their possible cost, or as to the amount of money that may be involved, or as to the value of the property that will be given away. And, that is what I object to. I think we should know what we are doing, fairly well; or at least have a reasonably good estimate as to costs.

Mr. ASPINALL. If the gentleman will yield for just one further observation, I thank my colleage, and as long as I am a Member of this body I will work in a spirit of honesty and sincerity with my colleague. What is involved here is that we cannot turn over the jurisidiction and the operation of these facilities until we pass this legislation. In other words, the Federal Government must continue, if we do not pass such legislation as this. We have tried to get the information which my colleague has asked for. It is not available.

Mr. BROWN of Ohio. How long would it take to get it?

Mr. ASPINALL. My opinion is that it would take longer than the 29 days that are left, as far as this problem is concerned in Alaska. That is what is bothering me so much.

Mr. BROWN of Ohio. My only objection, and my whole point, is that we are being asked to write a blank check, as it were, to take this bill on faith. We do not know whether it is going to cost the people an additional $1 million or $10 million, or $50 million, or what the amount will be.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield for just one more question?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. ASPINALL. Will my colleague wait until the gentleman from Colorado has a chance to present the information which he has on this particular matter before he makes up his mind definitely?

Mr. BROWN of Ohio. I certainly will. But still I would like to have an answer now to my question, and the gentleman does not seem to be able to answer that question. I would like to know what is going to be the approximate cost; even the gentleman's estimate would be helpful.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. O'BRIEN of New York. Mr. Speaker, I realize the concern that the gentleman from Ohio [Mr. BROWN] has about this. But he has repeatedly stated that the Federal Government is giving away something. I think we have to

consider what value the Federal Government has in this, or what it would have if it kept these things. For example, if we turn over the maintenance of the highways and do not turn over rights-of-way, we cannot roll them up and bring them back to the States. There is the equipment for roadbuilding and the camps that the roadbuilders have been using. We have precedent particularly with airports. Since the 1944 Surplus Property Act, the Federal Government has transferred 550 surplus federally constructed airports to the States and their subdivisions without monetary consideration. The cost originally to the Federal Government of those airports was about $1.5 billion.

Mr. BROWN of Ohio. I can understand that. Of course, I am not as well informed on Alaska as some of the other Members, but I just have a sort of a sneaking idea, just a country boy's belief, that somehow or other the Federal Government is going to continue to have a lot of airports up in Alaska as long as the world situation remains as it is; and it ought to continue to have. I just sort of have the idea that the Federal Government is going to be coming in here asking for appropriations in the future to build other airports, maybe, up in Alaska, after we give these away. And if we should give the other equipment away to the new State, I have the idea that the Government will be asking more funds to buy roadbuilding machinery to use in some of the national parks, or some on the Federal lands of the Nation, after, of course, we give this present roadbuilding machinery to the new State.

All I am trying to do is find out what it is all going to cost us. I am so used to being hooked, and the people in Ohio are so used to having to pick up the check and pay the taxes for a lot of these things, that it seems to me we are at least entitled, before this is done to us, to know what it is going to cost; some estimate, some idea, some expression of thought. I do not want to be critical, but it seems that somewhere, somehow, somebody ought to have some idea what the cost of all this will be.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. ASPINALL. I have been handed a copy of the hearings. I did not get a copy of the hearings until this morning, I am sorry to say.

Mr. BROWN of Ohio. That is one of the troubles with legislating around here. We get a copy of the hearings after the bill has been passed.

Mr. ASPINALL. During the hearings, Mr. Quesada, who is the Administrator of the Federal Aviation Agency testified as follows:

These Anchorage facilities, with an allowance for depreciation, have a current capital value estimated at $11,600,000.

The airport at Fairbanks has only one runway and a terminal building with associated utilities constructed by the Federal Government. At this location there are some 90,000 passengers served annually and approximately 55,000 aircraft arrivals and departures of which about 13,000 aircraft movements are air carrier aircraft, 7,500 military aircraft and 34,500 are general aviation type of aircraft. Allowing for depreciation the Fairbanks facility has a current capital value of about $5.2 million.

These two airports are now collecting revenues of approximately $1.1 million annually which are deposited in general funds of the Treasury of the United States as miscellaneous receipts.

Mr. BROWN of Ohio. That is about $16 million.

Mr. ASPINALL. One further statement, if I may. With this transition the Federal Government reserves for its military aircraft the right to use these facilities whenever it is necessary to use them.

Mr. BROWN of Ohio. That is about $16 million, as I understand it, worth of property from which about $1 million of annual revenue is being received. That would be turned over in addition to the $3.5 million. Of course, that does not include highway construction equipment nor does it include the cost of the hospital that we were talking about.

Mr. GROSS. What is this $3½ million figure that the gentleman refers to?

Mr. BROWN of Ohio. It is on page 3 of the report. It is the difference between the cost of operating it as a State or a Territory. You will find it on page 3 of the report.

Mr. GROSS. I thought it was $28½ million over the next 5-year period.

Mr. BROWN of Ohio. It is, but it would cost $25 million if we continued under a territorial status. So the net difference in the actual cost would be $3½ million.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. O'BRIEN of New York. 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. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H.R. 7120, with Mr. ANDERSON of Montana 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 New York [Mr. O'BRIEN] is recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, the purpose of the bill before us, H.R. 7120, is to provide for a smooth transfer of activities and responsibilities from the Federal Government to the government of our new State of Alaska. We anticipated this legislation. It did not come to us as a surprise. It is not a simple bill. It contains 50 sections. It is involved, and, in varying degrees, cuts across lines of jurisdiction of several legislative committees: Agriculture, Armed Services, Banking and Currency, Education and Labor, Government Operations, Interstate and Foreign Commerce, Judiciary, Merchant Marine and Fisheries, Public Works, Veterans' Affairs, and Ways and Means.

This legislation was introduced at the request of the President of the United States. The Director of the Bureau of the Budget sent an executive communication and asked that a representative of the committee, of which I am chairman, introduce the legislation and that the committee act on it as expeditiously as possible. The fiscal year ends on June 30, 29 days from now. For the most part, the present budget does not include items of expenditure which are found in this bill. Unless action is taken on this bill promptly there will be a hiatus of operations until the next budget is approved. The Government of Alaska cannot assume responsibility for these activities until they are relinquished by the Federal Government.

H.R. 7120 was prepared in the Bureau of the Budget after consultation with all agencies of the executive branch administering Federal statutes which were affected by the admission of Alaska into the Union. The bill deals with Federal-State relations and matters affecting the scope of Federal operations in Alaska. Some of the provisions may appear unimportant to many of us but their inclusions have been requested by different agencies of the Government.

Bills of a similar nature were acted upon by the Congress immediately following the admission of our last States, Oklahoma, Arizona, and New Mexico, into the Union. Those bills, however, were not so involved, because 50 years ago our Federal Government was less complicated, and not as involved in activities within State borders as it is today. Following enactment of organic legislation for Guam in 1950, and for the Virgin Islands in 1954, omnibus bills, somewhat similar in nature to H.R. 7120, were enacted by Congress. We expect to have an Hawaiian omnibus bill before Congress next year.

This is an important piece of legislation because it implements the act of July 7, 1958, which provided for admission of Alaska into the Union. Presently, for a number of practical purposes, Alaska is still operating as a Territory instead of a State. This bill transfers a number of activities to the State and makes applicable statutes to Alaska as a State rather than to Alaska as a Territory.

On April 2, 1959, as chairman of the Committee on Interior and Insular Affairs, I addressed letters to the chairmen of the previously mentioned House committees, inviting their attention to the bill and requesting such suggestions as they wished to offer. We are appreciative of the responses we received from those chairmen. Their suggestions were carefully considered and several were

incorporated into the present bill. Others have been referred to the Bureau of the Budget for further analysis.

ANALYSIS OF H.R. 7120

The Bureau of the Budget sent the draftsman of this legislation, Dr. Harold Seidman, to the committee hearings as its spokesman. He presented a careful analysis of the bill which is found beginning on page 2 in Committee Report No. 369 which is available to all Members. The 50 provisions in the bill are broken down into 5 categories of which 3 are of significant importance.

In the first category, there are provisions which would make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with other States. Good examples are section 18 of this bill, which relates to grants-in-aid to education, and section 24, which refers to vocational rehabilitation. These and several other sections apply to Alaska the same apportionment and matching formulae that are applicable to other States.

Provisions in the second category are those which terminate special Federal programs in Alaska. Examples of these special programs are those referred to in section 21—highways, section 35—airports, and section 39—recreational facilities. The net Federal expenditures involved in category 2, if they are not discontinued, will be about $10,260,000 in fiscal 1960. The President's budget carries no request for any of these activities except highway maintenance.

Sections in category 3 authorize various measures required to facilitate an orderly transition and include property transfers and transitional grants. These sections include 44(a)—dollar grants—and 46—Claims Commission.

Sections in the fourth and fifth categories contain perfecting amendments relative to the applicability of certain laws to the State of Alaska and the elimination of the appropriate reference to the Territory of Alaska instead of State of Alaska.

COST

Mr. Chairman, I know our colleagues are interested in the cost of this legislation. The total cost of this bill to the taxpayers of the United States over a 5-year period is $28,500,000. Do not let this sum mislead you, however. Had Alaska remained a Territory, about $25 million would have been expended over the 5-year period to operate and finance the activities which are being transferred. Therefore, the actual cost of this legislation is roughly $3½ million, or $700,000 a year. I call your attention to the cost analysis found on page 3 of our committee report. We can scale downward the anticipated appropriations for Alaska's special programs. There will be no appropriations for airport improvements after 1960, no appropriations for recreational facilities after 1961, and no appropriations for road maintenance after 1962.

I am not venturing to say that a saving will be represented to the U.S. Government after 1964 by the enactment of this legislation. Such a statement would be premature at this time.

Mr. Chairman, other members of the Committee on Interior and Insular Affairs will discuss other portions of this bill. I want to reiterate that this is sound legislation. It is necessary legislation and it is strongly backed by the administration. Dr. Seidman, representing the Bureau of the Budget, his assistant, and a representative of the Office of Territories, Department of the Interior, presented the bulk of the testimony for the administration at our extensive hearings. We also had testimony from the Acting Governor of Alaska, the Honorable Hugh J. Wade, and representatives of the Department of Commerce and the Federal Aeronautics Authority.

Mr. Chairman, three sections of H.R. 7120, the Alaska omnibus bill, would authorize the transfer to the State of Alaska of property now owned by the Federal Government:

First. Section 21 would authorize the Secretary of Commerce to transfer, without compensation but under conditions he deems desirable, all real and personal property pertaining to the activities of the Bureau of Public Roads in Alaska, except such property as may be needed by the Bureau for its continuing functions in Alaska, and such property as the Federal Government may want to retain for purposes other than road purposes. While no inventory is yet available of the property contemplated for transfer under that section, generally involved are road right-of-ways, depots, maintenance camps, motor vehicles and road-building machinery, equipment, and materials which will be excess to Federal needs when the State takes over from the Federal Government the task of constructing and maintaining State roads.

Second. Section 35 would authorize the head of the Federal Aviation Agency to transfer, without compensation but under conditions he deems appropriate, all real and personal property pertaining to the Anchorage and Fairbanks Airports constructed under the act of May 28, 1948, except such property as may be needed for continuing Federal functions in Alaska. Generally involved under that section are the runways and other lands, airport structures which are excess to Federal needs, and airport equipment, including maintenance and emergency equipment, which is excess to Federal needs.

Third. Section 45 authorizes the President, until July 1, 1964, to transfer, without compensation, all real and personal property pertaining to any Federal function in Alaska which is terminated or curtailed and which is assumed by the State. At present it is contemplated that general authority would be used to transfer certain furnishings of the Governor's mansion, a few excess jail and marshals' properties, intermediate and primary airports, excess office equipment, and some fish and game management equipment, including boats and aircraft.

The justification for such transfers as are authorized in sections 21, 35, and 45 of the bill rests on the following points:

First. In each case, the State of Alaska is assuming a function heretofore the responsibility of the Federal Government. The State is thus relieving the Federal Government of certain burdens which will result in a saving to the United States.

Second. To enable the State to assume those responsibilities now, and to prevent the Federal responsibility from continuing indefinitely, it is necessary and practical to turn over to the State certain property used by the United States in the performance of those functions. If the property were not transferred it would probably be necessary to give the State further monetary grants to enable it to take over the functions. Even if the State were given necessary funds, it would be unable to purchase equipment and have it on hand in time to take over functions on or about July 1, 1959.

Third. No property is to be transferred unless it is excess to U.S. needs in Alaska and unless it relates to a function taken over by the State—other excess would continue to be disposed of under regular excess property procedures. The Federal Government will retain all property needed for continuing Federal functions—for example, the Bureau of Public Roads will retain property and equipment necessary for its national forest highway program.

Fourth. It would be most difficult and costly to try to dispose of the excess property involved to someone other than the State. Much of it is useful only in connection with the functions being transferred. Insofar as the excess consists of real property in the form of roads, jails, airport runways, and the like, there is no other practical way of disposal than transfer to the State or some local public body.

Fifth. The highway equipment and properties to be transferred to the State were procured with funds made available to or contributed by Alaska under the Federal-Aid highway program or transferred from the Alaska Roads Commission when Alaska was first brought under the Federal highway program. Title to such property was vested in the United States only because the Bureau of Public Roads performed most of the functions of a territorial highway department. If Alaska had been treated as other States and Territories, title to these properties would have vested in Alaska from the very beginning.

Sixth. With respect to the transfer of Anchorage, Fairbanks and the intermediate airports, it should be noted that there is ample precedent for such transfers. Under the Surplus Property Act of 1944, the Federal Government has transferred some 550 surplus Federally constructed airports to the States and their subdivisions, without monetary consideration, but subject to certain terms and conditions. Those transferred airports originally cost the Federal Government about $1,420 million to construct. It is contemplated that similar terms and conditions would be imposed in transferring the Alaska airports.

It might also be noted that the other States also benefit from donations of excess Federal property. Currently, excess property is being donated to the States at a rate of over $340 million—in

acquisition costs—a year for airports, wildlife conservation, park and recreational purposes, public health, education, and civil defense purposes. About 85 percent of that material is personal property. California alone received $7.7 million worth of property in the first quarter of 1959; in the same period New York received $6.2 million worth of property, Texas $5.7 million and Virginia $2.3 million.

I recommended expeditious House action on H.R. 7120.

Mr. SAYLOR. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, last year the 85th Congress considered the Alaska statehood bill and, as is always the case in important legislation before this body, there are those who were in favor of that bill and those who opposed it. According to the theory of government under which we operate, when the majority works its will we join forces and go forward. That is just what happened in this case. The majority of both the House and the Senate were in favor of admitting the 49th State to the Union under certain terms and conditions. The people of Alaska in a free election indicated their approval of what the Congress had done. So Alaska has in law become the 49th State of the Union.

But it is necessary to have more than just a law to make Alaska a State in fact. It is necessary to have a law which will enable the people of Alaska to share with the citizens of the other States of the Union all of our laws. In the President's state of the Union message in January of this year he stated one of the important things that would come before this present Congress was a bill to enable the new State of Alaska to become a State in fact. So today this bill is presented for your consideration as the result of a great deal of research work by the Bureau of the Budget, by the Department of the Interior, and by all of the related Federal agencies that appeared before our committee. This bill changes all of the existing Federal laws so that Alaska could become a State in fact as well as in law.

This bill will enable Alaska to participate in a number of Federal grant-in-aid programs on the basis of an equal with all of the other States. It will authorize the various measures required to facilitate the orderly transition, including property transfers and transitional grants to the State of Alaska.

On this point it seems that certain people feel that Alaska is receiving more favorable treatment than any other State in the Union. That, I do not believe, is a correct statement. It is certainly not the intention of the Bureau of the Budget to make such a recommendation, and it certainly is not the intention of our committee to allow the new State of Alaska to share on a more favorable basis than any other State.

The provisions of the three sections which have been referred to, sections 21, 35, and 45, do provide for transfer to the State of Alaska property now owned by the Federal Government. But it is important to note that none of this property can be transferred, either by the Secretary of Commerce, by the Federal Aviation Agency, or by the President, unless it is found to be in excess of the needs of the United States.

Let us look at some of the things that are here transferred. Right now all of the jails in the State of Alaska are being operated by the Federal Government. I do not know of anyone who would propose that we put up on the public auction block any cells up there so that they might be used by any private person, nor do I believe that anyone will propose that the jails be returned to the other States or Federal agencies for sale or disposal. Someone might suggest that is a rather ludicrous example to use, yet it is necessary to use such examples sometimes to point out just what this bill is trying to accomplish.

It is interesting to note that in the President's budget which was sent up early in January there are no provisions for carrying on any of the Federal functions that are included in this bill, beyond June 30, 1959. That is why time is of the essence. Unless this bill is passed by the House and the other body and signed by the President before July 1, 1959, it will be necessary for the Appropriations Committee to make certain supplemental appropriations in order to carry on the functions of the Federal Government. There is nothing in the laws presently on the books that would permit their termination unless this bill is passed, therefore this bill becomes a matter of urgent necessity.

Some people believe it would be necessary and in the public interest to have the State of Alaska pay the fair value of these properties that are being turned over to it. I do not agree with that. It is important to note that when these properties are being turned over to the new State of Alaska, Alaska is giving up something. And, when you give up something to which you are entitled under the law, there must be a consideration. The consideration here is the promise of a gift to the new State of Alaska if it is in excess of the needs of the Federal Government. This bill, while over a 5-year period will call for the expenditure of not more than $3.5 million, will, in the long run, be a real saving to the people of the United States, because all of the agencies that are presently operated by the Federal Government will soon be operated by the new State of Alaska, just as they are in your own State.

Mr. Chairman, I urge that this bill be voted upon favorably.

Mr. O'BRIEN of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Chairman, before proceeding with my remarks in favor of H.R. 7120, commonly referred to as the Alaska omnibus bill, I wish to take this opportunity of expressing a few thoughts which I consider to be of underlying significance.

I am here because the people of Alaska were granted statehood during the last session of this Congress. That grant of statehood was an historically significant achievement of the 85th Congress. After a lapse of 46 years since the admissions of Arizona and New Mexico in 1912, the grant of full citizenship rights to our fine citizens in Alaska sparked a widespread feeling of pride among the people of America because passage of the Statehood Act manifested the continuing vitality of the basic principles upon which our great Nation is founded, and added lustre, if you will, to the Government of the United States and our democratic institutions.

Statehood also carries with it other significant elements, foremost of which is the fact that the people of Alaska are not only grateful for their full rights as American citizens, but determined to shoulder their full share of the responsibility for promoting the strength and general welfare of our whole Union. Fortunately such loyalty is found in our new State because Alaska is the northwesterly bastion of our common defense, strategically located in the shadow of the Iron Curtain.

As more fully explained by the distinguished gentleman from Colorado, WAYNE ASPINALL, chairman of the Committee on Interior and Insular Affairs, the omnibus bill is before this body as a matter not only of convenience but of mutual necessity. In this modern industrial age involving complex relationships between the States and the Federal Government, it was virtually impossible to spell out all the transition details in the Statehood Act itself. That is the reason for this omnibus bill. The differences between the problem before us now and the transition steps which were necessary for Arizona and New Mexico, before the age of jet airplanes, international airports, a nationwide highway system, social security programs, and other modern developments, highlights the tremendous advances made by our Nation in the intervening 46 years.

Accordingly, H.R. 7120, under the auspices of the administration, acting through the Bureau of the Budget, with full cooperation by the House Committee on Interior and Insular Affairs, provides for the steps necessary to carry out an orderly transition from Alaska's former Territorial status to its present position as a State. Upon this phase I will speak only briefly as the subject matter has already been ably presented. I can best do this with some illustrations.

During the last 15 years the Federal Government has carried out a civil airport program in Alaska, a function which it does not perform anywhere else except at the National Airport serving Washington, D.C. Since the Federal Government is determined to get out of the civil airport business in Alaska, the new State has expressed willingness to take over that responsibility on the reasonable formula set forth in this omnibus bill. In the process of being accorded an equal footing with the other States, Alaska will also take over the highways within its boundaries—except national park roads—and will assume the added burden of highway maintenance under the terms set forth in this omnibus bill.

Other grant-in-aid programs in which Alaska already participates will, under this bill, be adjusted to put Alaska on the same basis as the other States. The transitional grants for

which this bill provides, covering a period of the next 5 years, total $28½ million, or approximately $3 million more than the amount the Federal Government would otherwise spend if it continued during that period the operations which are being turned over to the new State. In addition to these money grants, certain road equipment and other facilities which will become excess property as far as the Federal Government is concerned, will be transferred free of charge to the State to effectuate the transition without any interruption of the public services involved.

Besides the functions which are to be transferred under this bill, the State will also establish its own system of courts and take over the responsibility and cost of fish and wildlife management and control, and various other functions heretofore provided by the Federal Government at Federal expense. Thus, in due course the Federal Government will come out ahead financially, and the edifice of full State responsibility will be built on a sound foundation.

Before closing, I wish to express my high regard for the able and conscientious study and work done on this subject by Mr. Harold Seidman and other representatives of the Bureau of the Budget, and utmost appreciation of the sincere and brilliant work of the distinguished chairman of the Committee on Interior and Insular Affairs, Mr. ASPINALL, and of the very helpful work of our colleagues, the gentleman from New York [Mr. O'BRIEN], chairman of the subcommittee which held the hearings on the bill, and the gentleman from Pennsylvania [Mr. SAYLOR], the ranking minority member of the committee. In closing, and as the spokesman for my great State of Alaska, I voice full support of H.R. 7120 and urge its passage.

Mr. MOORE. Mr. Chairman, we have no further requests for time on this side.

Mr. O'BRIEN of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I have no desire to prolong this discussion because obviously the distinguished chairman of the Committee on Rules has narrowed the issue here. He has stated, in his judgment, that he believes this bill should pass. He has been kind enough to suggest that the committee of which I have the honor to be a member has approached this whole problem in a conservative way.

I would like to say, though, that probably this bill is without precedent in the history of Congress because we have a striking demonstration in this rather bulky bill of how far the Federal Government has reached out into the affairs of all of us since the last States were admitted prior to Alaska, and that is why we have had to put so many things in this bill which were never even dreamed of when we admitted other States; such matters as aid for roads and airports—things of that sort.

I was in Alaska about 2 weeks ago, the first time I had gone there since 1955 and certainly the first time since Alaska was admitted as a State. I found the people there approaching their new and very heavy responsibilities soberly and conservatively. There are some growing pains, of course, because Alaska, in spite of its enormous size, is still an infant.

Mention has been made here of our generosity in dealing with the new State in the statehood bill, the enormous tracts of land which were made available to the new State. I do not propose to argue the value of those lands at this time, but I do think that we should again consider percentages as well. Even though it was more than 100 million acres of land, the Federal Government still retained two-thirds of all the land in Alaska, and the part retained by the Federal Government includes some of the very richest land there. But that is entirely beside the point because I believe, and I agree with the gentleman from Illinois, that it was a generous gift.

I believe that within 10 years enormous wealth will flow from those grants, but today we have a situation where we have placed a large steak dinner before a child which has still to acquire its molars. None of that land is bringing in any revenue at this time, and it will be some time before any revenue comes in. So we have to bridge that gap, and that is what we are doing in this bill.

We believe that it is a sound, sensible bill, from the viewpoint of the Federal Government which in a sense gets out from under in many of these fields. We also believe, while it does not meet the full requests of the officials and the people of Alaska, it goes a long way toward meeting their needs.

Specifically, on the subject of the question which has been raised by several Members here, including the distinguished chairman of the Committee on Rules, personally I would have no objection to an amendment to the bill which would not hog-tie the new State and make futile the transfers we are making. Let us take this matter of airports. We know that the Federal Government has transferred to the States and the political subdivisions thereof $1.5 billion worth of airports. So we are doing in Alaska what we have done in many places.

Then we get to the question of equipment for airports. Shall we just give them the runways and the bare buildings, or shall we give them the equipment there which will help operate those airports? I say that unless we give them that equipment, unless we give them the rights-of-way, the roads, and the equipment that our alternative might very well be a greater cost, because if we are to bridge for this new State the gap between early poverty and what I believe will be eventual riches, then we do have to provide for those things. And what is the alternative to the beat-up tractor on the road? It is to buy or provide the funds for buying new equipment. So, if the committee had not had some such provision here, the committee would have been forced to come to you, in all honesty, and as part of its responsibility, with a request for larger dollar grants.

You have a choice here between tractors and dollars, it seems to me. We also have, as the chairman of our full committee has said, a question of urgency where we are shortcutting the ordinary procedures not for the sake of shortcutting them and not for the sake of whittling down the power of the Congress, but because we are looking at a calendar that has July 1, 1959, in large, bold, red letters. So, as I say, if we can work out something here that will meet the objections raised by these distinguished gentlemen, and at the same time not deny this new State the tools which it must have, I certainly would be willing to accept it.

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

Mr. O'BRIEN of New York. I yield.

Mr. ASPINALL. Is it not a fact that similar legislation was passed for the new States of Oklahoma, Arizona, and New Mexico when they were brought into the Union, and the only reason we did not have these large transfers of property and the grants, which are set forth in this legislation, is that they did not at that time have the Federal activities in those new States that we have had in Alaska for over 50 years as a Territory, and before that so far as an unincorporated Territory is concerned?

Mr. O'BRIEN of New York. The gentleman is very correct. We have in Alaska a peculiar problem because of size and also because the Federal Government has gone into fields that we did not dream the Federal Government would go into when the other States were being admitted into the Union. The question that bothers me in discussing this matter is—where would the savings be to the Federal Government if we deny this new State the equipment? What would we do with it? Well, I suppose we could sell it at public auction some place, but repeatedly we have had here before us examples of the Federal Government declaring personal property surplus, and then disposing of it to municipalities and to States. We are suggesting that we do the same thing here. The big difference is that because this is a new State and because this is an omnibus bill, we are coming in not with a particular type of surplus property, but we are coming in with property affecting roads, property affecting jails, property affecting health, and property affecting airports. So we are doing things on a bigger scale than we have done in the past. It is almost impossible to do anything in connection with Alaska without it being on a bigger scale because it is just so big itself and its problems are so big. But, I would like to conclude by saying my mind is open, provided that we do not accept here an amendment which will make a joke out of what we are trying to do. We cannot turn over just the airports and just the roads and just the responsibility for the hospitals without turning over the equipment that goes with it, and which is necessary to do the job, especially when that equipment and these tools are of no great value to the Federal Government unless they are employed

in the way that we propose to employ them.

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

Mr. O'BRIEN of New York. I yield.

Mr. SAYLOR. I concur in what the gentleman has said. I wish to impress this fact upon the committee that even if we gave Alaska money in this bill to purchase this equipment, they could not possibly purchase it and have it there to use on July 1 of this year.

Mr. O'BRIEN of New York. That is very true.

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

Mr. O'BRIEN of New York. I yield.

Mr. MUMMA. What is the nature of this equipment that you cannot get it now?

Mr. O'BRIEN of New York. Well, for example, there are tractors.

Mr. MUMMA. Life magazine had a full double page picture of all of this machinery, this stack of tractors out there that they are trying to sell, that is, the Caterpillar Co. I believe the best plan would be to give it to them. But, I do not like that statement that it cannot be obtained because I believe it can be.

Mr. O'BRIEN of New York. Oh, I think possibly with American ingenuity being what it is that might happen. But, I would hate to be the purchasing agent in charge of the roads out there when he would be told on the 5th of June or on the 10th or whenever this bill had run its course that he had to do all these things by the 1st of July.

Mr. MUMMA. He might try us and he would find us very easy.

Mr. O'BRIEN of New York. He probably would, but it is much easier to take the tractor which is already in operation up there and just drive it out of the shed. If the Federal Government were going to suffer a huge monetary loss by the transfer of this property, I would be against it. I think that by transferring it, we are employing the dollars we have invested in it in the best possible way.

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

Mr. O'BRIEN of New York. I yield.

Mr. HALEY. As a matter of fact, it would cost just about as much to bring that tractor back, let us say, to the United States as it would cost for the tractor new, and you would still have a second-hand, used tractor here in the United States. So it would be better to give them this road-building equipment and let it stay up there, and if the Federal Government must have it, we might as well buy it here and get new equipment. In the long run, it certainly seems to me there would not be much difference.

Mr. O'BRIEN of New York. That is true. Everyone knows that one of the greatest problems and one of the greatest elements of cost in Alaska is transportation, and one reason why we have such fine steaks up there is because they figure if they have to fly them in, they might as well get the best.

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

Mr. O'BRIEN of New York. I yield.

Mr. GROSS. Does the gentleman have any idea of the cost of the new commission that is to be created, called the Claims Commission, and which is to operate for 5 years?

Mr. O'BRIEN of New York. According to my understanding, the Commission would not meet every day but would serve only when a dispute was referred to it. Where we have dealings between a State and the Federal Government from time to time there are bound to be disputes. Alaska is now a sovereign State. In such disputes there should be an umpire.

True, the per diem allowance is $50, but I doubt if it is going to run into any great deal of money; I would certainly hope not, but it seemed to the committee to be the best way to take care of disputes arising between the new State and the Federal Government.

Mr. GROSS. Is there no agency of Government with personnel already available to constitute this so-called Court of Claims?

Mr. O'BRIEN of New York. Yes; there doubtless is, but to use them would probably lead to political implications, especially where the State and the Federal Government should try to solve something and there were none but Federal employees on the Claims Commission.

As a matter of fact, I do not think this Commission is going to be very greatly used.

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

Mr. O'BRIEN of New York. I yield.

Mr. HALEY. Actually, unless there were some dispute to be resolved they would not be called upon to function at all, and it should not take any great length of time to resolve such disputes as may arise.

Mr. O'BRIEN of New York. I think the gentleman is correct. I may say to the gentleman from Iowa that I think this will be less costly than any commission that could be set up here in Washington.

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

Mr. O'BRIEN of New York. I yield.

Mr. PELLY. I want to express my support for this legislation. I think the committee has done the right thing in bringing in this bill and pushing it to passage. Certainly, it is very necessary legislation. Certainly, to try to salvage some money out of surplus Government equipment in Alaska would return very little to the taxpayers of the country. Some junk dealer might make a little profit out of it, but certainly I think the best thing to do is to transfer the material to Alaska. I think the committee has brought in proper legislation.

Mr. O'BRIEN of New York. I think the gentleman is so correct. If a rich uncle left me a hundred tractors in Alaska and I lived in New York I might be astonished to find that I had no inheritance whatsoever if I tried to bring them back to New York and dispose of them.

Mr. HALEY. Alaska is the only prospective purchaser of this equipment among the States. Not to let Alaska have it would save but little to the taxpayers and be of no help whatever to Alaska.

Mr. O'BRIEN of New York. The gentleman is correct.

Mr. Chairman, I yield back the balance of my time.

Mr. SAYLOR. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Omnibus Act."

FEDERAL JURISDICTION

SEC. 2. (a) Section 4 of the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, is amended by striking out the words "all such lands or other property, belonging to the United States or which may belong to said natives", and inserting in lieu thereof the words "all such lands or other property (including fishing rights), the right or title to which may be held by said natives or is held by the United States in trust for said natives."

(b) Section 6(e) of said Act is amended by striking out the word "legislative" and inserting in lieu thereof the word "calendar."

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

SEC. 3. Any Territorial law, as that term is defined in section 8(d) of the Act of July 7, 1958 (72 Stat. 339, 344), providing for the admission of the State of Alaska into the Union—

(a) which provides for the regulation of commerce within Alaska by an agency of the United States, and

(b) the application of which to the State of Alaska is continued solely by reason of such section 8(d), shall cease to apply to the State of Alaska on June 30, 1961, or on the effective date of any law enacted by the legislature of the State of Alaska which modifies or changes such Territorial law, whichever occurs first.

SUGAR ACT

SEC. 4. Section 101 of the Sugar Act of 1948, as amended (7 U.S.C., supp. V, sec. 1101), is further amended by adding thereto a new subsection, to be designated subsection "(o)" and to read as follows:

"(o) The term 'continental United States' means the forty-nine States and the District of Columbia."

SOIL BANK ACT

SEC. 5. Section 113 of the Soil Bank Act (7 U.S.C., supp. V, sec. 1837), is amended to read as follows: "This subtitle B shall apply to the continental United States, except Alaska, and, if the Secretary determines it to be in the national interest, to the State of Alaska, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the Virgin Islands, and as used in this subtitle B, the term 'State' includes Hawaii, Puerto Rico, and the Virgin Islands."

ARMED FORCES

SEC. 6. (a) Title 10, United States Code, section 101(2), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii."

(b) Title 10, United States Code, sections 802(11) and 802(12), are each amended by striking out the words "that part of Alaska east of longitude 172 degrees west,".

(c) Title 10, United States Code, section 2662(c), is amended by striking out the word "Alaska,".

NATIONAL BANK ACT

SEC. 7. Section 5192 of the Revised Statutes, as amended (12 U.S.C. 144), is further amended by striking out the words "in Alaska or."

FEDERAL RESERVE ACT

SEC. 8. (a) Section 1 of the Federal Reserve Act, as amended (12 U.S.C. 221), is further amended by deleting the period at the end of such section and inserting in lieu thereof the following: "; the term 'the continental United States' means the States of the United States and the District of Columbia."

(b) Section 19 of the Federal Reserve Act, as amended (12 U.S.C. 466), is further amended by striking the words "in Alaska or".

HOME LOAN BANK BOARD

SEC. 9. (a) Paragraph (3) of section 2 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1422(3)), is further amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

(b) Section 7 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1466), is further amended by striking out the words "continental United States, to the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "continental United States (including Alaska), to the Territory of Hawaii".

NATIONAL HOUSING ACT

SEC. 10. The National Housing Act is amended by—

(a) striking out the word "Alaska," in section 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1756(d), 1747 1(q); supp. V, sec. 1748(g));

(b) striking out the words "the Territory of Alaska," in section 207(c)(2) (12 U.S.C., supp. V, sec. 1713(c)(2)), and inserting the word "Alaska" in lieu thereof;

(c) striking out the words "the Territory of Alaska or in Guam" in section 214 (12 U.S.C., supp. V, sec. 1715d, 48 U.S.C., supp. V, sec. 484d), and inserting the words "Alaska, Guam," in lieu thereof; and

(d) striking out the word "Territory" in the two places where it appears in section 806 (12 U.S.C., supp. V, sec. 1748e), inserting the word "State" in lieu thereof.

COAST GUARD

SEC. 11. Title 14, United States Code, section 634(b), is amended by striking out the words "and for the territory of" in both places where they appear therein.

SECURITIES AND EXCHANGE COMMISSION

SEC. 12. (a) Paragraph (6) of section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b(6)), is further amended by striking out the word "Alaska,".

(b) Paragraph (16) of section 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(16), is further amended by striking out the word "Alaska,".

(c) Paragraph (18) of section 202(a) of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2 (a) (18)), is further amended by striking out the word "Alaska,".

(d) Paragraph (37) of section 2(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a) (37)), is further amended by striking out the word "Alaska,".

(e) Paragraph (1) of section 6(a) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-6(a) (1)), is further amended by striking out the word "Alaska,".

SOIL CONSERVATION

SEC. 13. (a) Section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C., supp. V, sec. 590h(b)), is further amended by inserting, immediately following the words "continental United States", the words ", except in Alaska".

(b) Section 17(a) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590q(a)), is further amended by striking out the words "the United States, the Territories of Alaska and Hawaii" and inserting in lieu thereof the words "the States, the Territory of Hawaii", and by striking out the word "Alaska" the second time it appears therein.

BALD EAGLES

SEC. 14. Section 1 of the Act of June 8, 1940 (16 U.S.C. 668), is amended by striking out the words "except the Territory of Alaska,".

WILDLIFE RESTORATION

SEC. 15. Section 8(a) of the Act of September 2, 1937, as amended (16 U.S.C., supp. V, sec. 669g-1), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

FISH RESTORATION

SEC. 16. Section 12 of the Act of August 9, 1950, as amended (16 U.S.C., supp. V, sec. 777k), is further amended by striking out the words "the Alaska Game Commission," "said Territory of Alaska,", "not exceeding $75,000 for Alaska, and", and "the Territory of Alaska,".

CRIMINAL CODE

SEC. 17. (a) Title 18, United States Code, section 5024, is amended by striking out the out the words "other than Alaska" and in-lieu thereof the words "including Alaska".

(b) Section 6 of the Act of August 25, 1958 (72 Stat. 845, 847), is amended by striking out the words "other than Alaska" and inserting in lieu thereof the words "including Alaska".

(c) Subsections (a) and (b) of this section shall be effective on July 7, 1961, or on the date of the Executive order referred to in section 18 of the Act of July 7, 1958 (72 Stat. 339, 350), providing for the admission of the State of Alaska into the Union, whichever occurs first.

(d) Title 18, United States Code, section 1385, is amended by deleting the last sentence thereof.

EDUCATION

SEC. 18. (a)(1) Subsection (a) of section 103 of the National Defense Education Act of 1958 (72 Stat. 1580, 1582), relating to definition of State, is amended by striking out "Alaska", each time it appears.

(2) Paragraph (3)(B) of section 302(a) of such Act (72 Stat. 1580, 1588), relating to definition of continental United States for purposes of allotments for science, mathematics, and modern foreign language instruction equipment, is amended by striking out "does not include Alaska" and inserting in lieu thereof "includes Alaska".

(3) Section 1008 of such Act (72 Stat. 1580, 1605), relating to allotments to Territories, is amended by striking out "Alaska,".

(b)(1) Section 4 of the Act of February 23, 1917 (20 U.S.C. 14), relating to allotments for teacher-training, is amended by striking out "$90,000" and inserting in lieu thereof "$93,500". The proviso in the last paragraph of section 5 of such Act (20 U.S.C. 16) and so much of section 12 of such Act (20 U.S.C. 22) as follows the last semicolon shall not be applicable to Alaska prior to the third fiscal year which begins after the enactment of this Act.

(2) Paragraph (1) of section 2 of the Vocational Education Act of 1946 (20 U.S.C. 151), relating to definition of States and Territories, is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(3) Subsection (e) of section 210 (20 U.S.C., supp. V, sec. 15jj(e)), and subsection (a) of section 307 of such Act (72 Stat. 1580, 1600), relating to definition of State, are each amended by striking out "Alaska,".

(c) Paragraph (13) of section 15 of the Act of September 23, 1950, as amended (72 Stat. 548, 558), relating to definition of State, is amended by striking out "Alaska,".

(d)(1) The material in the parentheses in the first sentence of subsection (d) of section 3 of the Act of September 30, 1950, as amended, relating to determination of local contribution rate, is amended to read: "(other than a local educational agency in Hawaii, Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency)".

(2) The fourth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the first time it appears in such sentence. The fifth sentence of such subsection is amended by inserting "(including Alaska)" after "continental United States" the second time it appears in such sentence.

(3) The last sentence of such subsection is amended by striking out "Alaska," and by inserting after "the Virgin Islands," the following: "or in any State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency,".

(4) Paragraph (8) of section 9 of such Act (20 U.S.C., supp. V, sec. 244(8)), relating to definition of State, is amended by striking out "Alaska,".

IMPORTATION OF MILK AND CREAM

SEC. 19. Subsection (b) of section 9 of the Act of February 15, 1927 (21 U.S.C., sec. 149(b)), is amended by inserting the words ", including Alaska" immediately following the words "continental United States".

OPIUM POPPY CONTROL

SEC. 20. Section 12 of the Opium Poppy Control Act of 1942 (21 U.S.C., sec. 188k), is amended by deleting therefrom the words "the Territory of Alaska,".

HIGHWAYS

SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer including services or functions performed pursuant to section 40 of this act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

(c) (1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

(2) Federal-aid funds, apportioned to Alaska under title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

(d) Effective July 1, 1959, the following provisions of law are repealed:

(1) Title 23, United States Code, sec. 103(f);

(2) Title 23, United States Code, sec. 116(d);

(3) Title 23, United States Code, sec. 119;

(4) Title 23, United States Code, sec. 120(h), except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years;

(5) Sections 107 (b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);

(6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C., sec. 322 and the following); and

(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C., sec. 321(a) and the following).

(e) Effective on July 1, 1959, the following provisions of law are amended:

(1) The definition of the term "State" in title 23, United States Code, section 101(a), is amended to read as follows: "The term 'State' means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

(2) Title 23, United States Code, section 104(b), is amended by deleting the phrase ", except that only one-third of the area of Alaska shall be included" where it appears in paragraphs (1) and (2) of said section 104(b);

(3) Title 23 United States Code section 116(a) is amended by deleting the phrase "Except as provided in subsection (d) of this section" and by capitalizing the word "it" immediately following such phrase; and

(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase "subsections (d) and (h)" and by inserting in lieu thereof the phrase "subsection (d)".

INTERNAL REVENUE

SEC. 22. (a) Section 2202 of the Internal Revenue Code of 1954 (relating to missionaries in foreign service), and sections 3121(e)(1), 3306(j), 4221(d)(4), and 4233(b) of such Code (each relating to a special definition of "State") are amended by striking out "Alaska,".

(b) Section 4262(c)(1) of the Internal Revenue Code of 1954 (definition of "continental United States") is amended to read as follows:

"(1) CONTINENTAL UNITED STATES.—The term 'continental United States' means the District of Columbia and the States other than Alaska."

(c) Section 4502(5) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Hawaii and Alaska" and by inserting in lieu thereof "the Territory of Hawaii".

(d) Section 4774 of the Internal Revenue Code of 1954 (relating to territorial extent of law) is amended by striking out "the Territory of Alaska,".

(e) Section 7621(b) of the Internal Revenue Code of 1954 (relating to boundaries of internal revenue districts) is amended to read as follows:

"(b) BOUNDARIES.—For the purpose mentioned in subsection (a), the President may subdivide any State, Territory, or the District of Columbia, or may unite into one district two or more States or a Territory and one or more States."

(f) Section 7653(d) of the Internal Revenue Code of 1954 is amended by striking out "its Territories or possessions" and inserting in lieu thereof "its possessions or the Territory of Hawaii".

(g) Section 7701(a)(9) of the Internal Revenue Code of 1954 (relating to definition of "United States") is amended by striking out "the Territories of Alaska and Hawaii" and inserting in lieu thereof "the Territory of Hawaii".

(h) Section 7701(a)(10) of the Internal Revenue Code of 1954 (relating to definition of State) is amended by striking out "Territories" and inserting in lieu thereof "Territory of Hawaii".

(i) The amendments contained in subsections (a) through (h) of this section shall be effective as of January 3, 1959.

COURTS

SEC. 23. (a) Title 28, United States Code, section 48, is amended by striking out the word "Seattle." and inserting in lieu thereof the words "Seattle, Anchorage.".

(b) Title 28, United States Code, section 81A, is amended by inserting the word "Ketchikan," immediately following the word "Juneau,".

(c) Such authority as has been exercised by the Attorney General heretofore, with regard to the Federal court system in Alaska, pursuant to section 30 of the Act of June 6, 1900 (48 U.S.C. 25), shall continue to be exercised by him after the court created by section 12(b) of the Act of July 7, 1958 (72 Stat. 339, 348), providing for the admission of the State of Alaska into the Union, is established.

(d) All balances of public moneys received by the clerks of each division of the District Court for the Territory of Alaska pursuant to section 10 of the Act of June 6, 1900, as amended (48 U.S.C. 107), which are on hand after all payments ordered by that court and approved by the Administrative Office of the United States Courts shall have been made, shall be covered into the Treasury of the United States as required by law, and the Secretary of the Treasury shall pay the amounts so covered, which are hereby appropriated, to the State of Alaska.

VOCATIONAL REHABILITATION ACT

SEC. 24. (a) Subsection (g) of section 11 of the Vocational Rehabilitation Act (29 U.S.C. supp. V, sec. 41(g)), relating to definition of State, is amended by striking out "Alaska,".

(b)(1) Subsection (i) and paragraph (1) of subsection (h) of such section, relating to definition of allotment percentages and Federal shares for purposes of allotment and matching for vocational rehabilitation services, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(2) Paragraph (1) of such subsection (h) is further amended by striking out "Alaska,".

(3) Such subsection (i) is further amended by striking out "Hawaii and Alaska" in clause (B) and inserting in lieu thereof "Hawaii".

GOLD RESERVE ACT

SEC. 25. Section 15 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 444), is further amended by striking out the words ", the District of Columbia, and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

SILVER PURCHASE ACT

SEC. 26. Section 10 of the Silver Purchase Act of 1934 (31 U.S.C. 448b) is amended by striking out the words ", the District of Columbia and the Territory of Alaska" and inserting in lieu thereof the words "and the District of Columbia".

NATIONAL GUARD

SEC. 27. Title 32, United States Code, section 101(1), is amended by striking out the words "Alaska, Hawaii," and inserting in lieu thereof the word "Hawaii".

WATER POLLUTION CONTROL ACT

SEC. 28. (a) Paragraph (1) of section 5(h) of the Federal Water Pollution Control Act (33 U.S.C., supp. V, sec. 466 (h)(1)), relating to Federal share for purposes of matching for program operation, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out in clause (B), "and Alaska".

(b) Subsection (d) of section 11 of such Act (33 U.S.C., supp. V, sec. 466j(d) is amended by striking out "Alaska,".

VETERANS' ADMINISTRATION

SEC. 29. (a) Title 38, United States Code, section 903(b), is amended by striking out the words ", or to the place of burial within Alaska if the deceased was a resident of Alaska who had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care"; by inserting the word "continental" immediately before the words "United States" the second time they appear in such section; and by inserting immediately following the words "continental United States" in both places where they appear in such section, the parenthetical phrase "(including Alaska)".

(b) Title 38, United States Code, section 2007(c), is amended by striking out the word "Alaska,".

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

SEC. 30. (a) Subsection (f) of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(f)), is amended by striking out the words ", Hawaii, Alaska," and inserting in lieu thereof the words "(including Alaska), Hawaii,".

(b) Subsection (a) of section 702 of such Act (40 U.S.C., supp. V, sec. 522(a)), is amended by striking out the words "Territories of Alaska and Hawaii" and inserting in lieu thereof the words "Territory of Hawaii".

PUBLIC HEALTH SERVICE ACT

SEC. 31. (a) Subsection (f) of section 2 of the Public Health Service Act (42 U.S.C. 201(f)), relating to definition of State, is amended by striking out "Hawaii, Alaska," and inserting in lieu thereof "Hawaii," and by striking out ", the District of Columbia, or Alaska" and inserting in lieu thereof "or the District of Columbia".

(b) (1) Effective July 1, 1959, section 371 of the Public Health Service Act, as added by the Alaska Mental Health Enabling Act (42 U.S.C., supp. V, sec. 273), is repealed.

(2) Subsection (a) of section 372 of such Act (42 U.S.C., supp. V, sec. 274(a)) is amended by striking out "the Territory of".

(3) Subsections (b), (c), and (e) of such section are each amended by striking out "the Territory" each time it appears and inserting in lieu thereof "Alaska".

(4) Such subsection (e) is further amended by striking out "the Territory's" and inserting in lieu thereof "Alaska's".

(c) (1) Subsection (a) of section 631 of such Act (42 U.S.C., supp. V, sec. 291i(a)), relating to definition of allotment percentage for purposes of allotments for construction, is amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)" and by striking out "for Alaska and Hawaii shall be 50 per centum each" in clause (2) and inserting in lieu thereof "for Hawaii shall be 50 per centum".

(2) Subsection (d) of such section, relating to definition of State, is amended by striking out "Alaska,".

SOCIAL SECURITY ACT

SEC. 32. (a) Paragraph (8) of section 1101(a) of the Social Security Act (72 Stat. 1013, 1050), relating to definition of Federal percentage for purposes of matching for public assistance grants, is amended by

striking out "Alaska and" in clause (ii) of subparagraph (A) and by striking out "(excluding Alaska)" in subparagraphs (A) and (B) and inserting in lieu thereof "(including Alaska)".

(b)(1) Subsection (a) of section 524 of the Social Security Act (72 Stat. 1013, 1054), relating to definition of allotment percentage for purposes of allotments for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (B).

(2) Subsection (b) of such section, relating to definition of Federal share for purposes of matching for child welfare services, is amended by striking out "50 per centum in the case of Alaska and" in clause (2).

(3) Such subsections (a) and (b), and subsection (c) of such section, relating to promulgation of Federal shares and allotment percentages, are each amended by striking out "(excluding Alaska)" and inserting in lieu thereof "(including Alaska)".

(c)(1) The last sentence of section 202(i) of the Social Security Act (42 U.S.C., supp. V, sec. 402(i)), is amended by striking out "forty-eight" and inserting in lieu thereof "forty-nine".

(2) Subsections (h) and (i) of section 210 of such Act (42 U.S.C. 410(h), (i)), relating to definitions of State and United States for purposes of old-age, survivors, and disability insurance, are each amended by striking out "Alaska,".

(d) (1) Paragraph (1) of section 1101(a) of the Social Security Act (42 U.S.C., supp. V, sec. 1301(a)(1)), relating to definition of State, is amended by striking out "Alaska, Hawaii," and inserting in lieu thereof "Hawaii".

(2) Paragraph (2) of such action (42 U.S.C. 1301(a)(2)), relating to definition of United States, is amended by striking out "Alaska,".

CONGRESSIONAL RECORD

SEC. 33. Section 73 of the Act of January 12, 1895, as amended (44 U.S.C., supp. V, sec. 183), is further amended by striking out the word "Alaska,".

FEDERAL REGISTER

SEC. 34. Section 8 of the Federal Register Act (44 U.S.C., sec. 308), is amended by striking out the parenthetical phrase "(not including Alaska)" and inserting in lieu thereof the parenthetical phrase "(including Alaska)".

AIRPORTS

SEC. 35. (a) The Administrator of the Federal Aviation Agency is authorized and directed to transfer to the State of Alaska by appropriate conveyance, and subject to such terms and conditions as he may deem appropriate, all the right, title, and interest of the United States in and to the public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), including all the land, buildings, structures, facilities, equipment, and other personal property appurtenant thereto and necessary for the operation thereof, except for such property, real or person, as the Administrator may determine is needed for the performance of functions of the United States in Alaska after such transfer. Such transfer shall be without monetary consideration to the United States.

(b) Notwithstanding any other provisions of this section, any contract entered into by the Federal Aviation Agency in connection with its activities with respect to public airports constructed and operated pursuant to the Act of May 28, 1948, as amended (48 U.S.C. 485 and the following), which has not been completed by the date of enactment of this Act, may be completed according to the terms thereof.

SELECTIVE SERVICE

SEC. 36. Section 16(b) of the Universal Military Training and Service Act, as amended (50 U.S.C. App., sec. 466(b)), is further amended by striking out the word "Alaska,".

REAL PROPERTY TRANSACTIONS

SEC. 37. Section 43(c) of the Act of August 10, 1956 (50 U.S.C. App., supp. V, sec. 2285(c)), is amended by striking out the word "Alaska,".

RECREATION FACILITIES

SEC. 38. Section 2 of the Act of May 4, 1956 (70 Stat. 130), is hereby repealed. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1960, such sums as may be necessary to complete the construction of facilities described in section 1 of such Act, as amended by the Act of August 30, 1957 (71 Stat. 510), if construction was begun prior to June 30, 1959, and to maintain the facilities pending their transfer pursuant to such section.

AIRCRAFT LOAN GUARANTEES

SEC. 39. Section 3 of the Act of September 7, 1957 (71 Stat. 629), is amended by striking out the words "Territory of Alaska" and inserting in lieu thereof the words "State of Alaska".

DEFENSE BASE ACT

SEC. 40. (a) Paragraph (2) and (3) of section 1(a) of the Defense Base Act, as amended (55 Stat. 622; 42 U.S.C. 1651 and the following), are amended by striking out "Alaska;" in the parenthetical phrase in each paragraph.

(b) Paragraph (6) of section 1(a) of that Act is amended by striking out "or in Alaska or the Canal Zone".

(c) Section 1(b) of that Act is amended by striking the period at the end of paragraph (3), inserting in lieu thereof a semicolon, and adding the following paragraph: "(4) the term 'continental United States' means the States and the District of Columbia."

TIMBER REMOVAL

SEC. 41. The Act of March 3, 1891 (26 Stat. 1093), as amended (16 U.S.C. 607), is further amended by deleting the words "Territory of Alaska" and the words "or Territory" where they there appear and by inserting the word "Alaska," after the words "In the State of".

WAR HAZARDS COMPENSATION ACT

SEC. 42. (a) Paragraphs (2), (3), and (5) of section 101(a) of the War Hazards Compensation Act, as amended (56 Stat. 1028; 42 U.S.C. 1701 and the following) are amended by striking out "or in Alaska or the Canal Zone".

(b) Section 104 of that Act is amended by adding the following new subsection at the end thereof:

"(c) The provisions of this section shall not apply with respect to benefits on account of any injury or death occurring within any State."

(c) Section 201 of that Act is amended by adding the following new subsection at the end thereof:

"(f) the term 'continental United States' means the States and the District of Columbia."

BUY AMERICAN ACT

SEC. 43. Section 1(b) of Title III of the Act of March 3, 1933 (41 U.S.C. 10c(b)), is amended by striking out the word "Alaska,".

TRANSITIONAL GRANTS

SEC. 44. (a) In order to assist the State of Alaska in accomplishing an orderly transition from Territorial status to statehood, and in order to facilitate the assumption by the State of Alaska of responsibilities hitherto performed in Alaska by the Federal Government, there are hereby authorized to be appropriated to the President for the purpose of making transitional grants to the State of Alaska, the sum of $10,500,000 for the fiscal year ending June 30, 1960; the sum of $6,000,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962; and the sum of $3,000,000 for each of the fiscal years ending June 30, 1963, and June 30, 1964.

(b) The Governor of Alaska may submit to the President a request that a Federal agency continue to provide services or facilities in Alaska for an interim period, pending the provision of such services or facilities by the State of Alaska. Such interim period shall not extend beyond June 30, 1964. In the event of such request, and in the event of the approval thereof by the President, the President may allocate, at his discretion, to such agency the funds necessary to finance the provision of such services or facilities. Such funds shall be allocated from appropriations made pursuant to subsection (a) hereof, and the amount of such funds shall be deducted from the amount of grants available to the State of Alaska pursuant to such subsection.

(c) After the transfer or conveyance to the State of Alaska of any property or function pursuant to the Act of July 7, 1958 (72 Stat. 339), providing for the admission of the State of Alaska into the Union, or pursuant to this Act or any other law, and until June 30, 1964, the head of the Federal agency having administrative jurisdiction of such property prior to its transfer or conveyance may contract with the State of Alaska for the performance by such agency, on a reimbursable basis, of some or all of the functions authorized to be performed by it in Alaska immediately preceding such conveyance or transfer.

TRANSFER OF PROPERTY

SEC. 45. If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion, transfer and convey to the State of Alaska, without reimbursement, any property or interest in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function.

CLAIMS COMMISSION

SEC. 46. (a) In the event that any disputes arise between the United States and the State of Alaska prior to January 1, 1965, concerning the transfer, conveyance, or other disposal of property to the State of Alaska pursuant to section 6(e) of the Act of July 7, 1958 (72 Stat. 339, 340), providing for the admission of the State of Alaska into the Union, or pursuant to this Act, the President is authorized (1) to appoint by and with the advice and consent of the Senate a temporary commission of three persons, to consider, ascertain, adjust, determine, and settle such disputes, and (2) to make such rules and regulations as may be necessary to establish such temporary commission or as may be necessary to terminate such temporary commission at the conclusion of its duties. In carrying out its duties under this section, such commission may hold such hearings, take such testimony, sit and act at such times and places, and incur such expenditures as the commission deems necessary. No commission shall be appointed under authority of this subsection after June 30, 1965.

(b) The commission may, without regard to the civil service laws and the Classification Act of 1949, employ and fix the compensation of such employees as it deems necessary to carry out its duties under this section. The commission is authorized to use

the facilities, information, and personnel of the departments, agencies, and establishments of the executive branch of the United States Government which it deems necessary to carry out its duties; and each such department, agency, and instrumentality is authorized to furnish such facilities, information, and personnel to the commission upon request made by the commission. The commission shall reimburse each such department, agency, or instrumentality for the services of any personnel utilized. The commission may establish such procedures, rules, and regulations as may be necessary to carry out its duties under this section.

(c) No member of such commission shall be an officer or employee of the United States or of the State of Alaska. Each member of the commission shall be paid compensation at the rate of $50 per day for each day spent in the work of the commission, shall be reimbursed for actual and necessary travel expenses, and shall receive a per diem allowance in accordance with the provisions of the Travel Expense Act of 1949, as amended, when away from his usual place of residence.

(d) There are hereby authorized to be appropriated such sums as may be necessary to enable the commission to perform its duties under this section.

EFFECTIVE DATES

SEC. 47. (a) The amendments made by paragraph (2) of subsection (a) of section 18, by subsection (a) of section 28, by paragraph (1) of subsection (c) of section 31, by subsections (a) and (b) of section 32, and, except as provided in subsection (c) of this section, by subsection (b) of section 24, shall be applicable in the case of promulgations of Federal shares, allotment percentages, allotment ratios, and Federal percentages, as the case may be, made after satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska, and for this purpose such promulgations shall, before such data for the full period required by the applicable statutory provision as so amended are available from the Department of Commerce, be based on satisfactory data available from such Department for such one full year or, when such data for a two-year period are available, for such two years.

(b) The amendments made by paragraphs (1) and (3) of subsection (a) of section 18 shall be applicable, in the case of allotments under section 302(b) or 502 of the National Defense Education Act of 1958, for fiscal years beginning July 1, 1959, and, in the case of allotments under section 302(a) of such Act, in the case of allotments based on allotment ratios, promulgated under such section 302 (a), to which the amendment made by paragraph (2) of subsection (a) of section 18 of this Act is applicable.

(c)(1) The allotment percentage determined for Alaska under section 11(h) of the Vocational Rehabilitation Act, as amended by this Act, for the first, second, third, and fourth years for which the amendments made by this Act are applicable to such section shall be increased by 76 per centum, 64 per centum, 52 per centum, and 28 per centum, respectively, of the difference between such allotment percentage for the year involved and 75 per centum.

(2) The Federal share for Alaska determined under section 11(i) of the Vocational Rehabilitation Act, as amended by this Act, for the first year for which the amendments made by this Act are applicable to such section shall be increased by 70 per centum of the difference between such Federal share for such year and 60 per centum.

(3) If such first year for which such amendments made by this Act are applicable is any fiscal year ending prior to July 1, 1962, the adjusted Federal share for Alaska for such year for purposes of section 2(b) of the Vocational Rehabilitation Act shall, notwithstanding the provisions of paragraph (3)(A) of such section 2(b), be the Federal share determined pursuant to paragraph (2) of this subsection.

(d) The amendments made by paragraphs (2) and (3) of subsection (b), by subsection (c), and by paragraph (4) of subsection (d) of section 18; by subsection (a) of section 24; by subsection (b) of section 28; by subsection (a), by subparagraphs (2), (3), and (4) of subsection (b), and by paragraph (2) of subsection (c) of section 31; by paragraph (2) of subsection (c) and by subsection (d) of section 32; and, except as provided in subsection (b) of this section by paragraph (1) of subsection (a) of section 18, shall be effective on January 3, 1959.

(e) The amendment made by paragraph (1) of subsection (c) of section 32 shall apply in the case of deaths occurring on or after January 3, 1959.

(f) The amendments made by paragraph (1) of subsection (b) and paragraphs (1), (2), and (3) of subsection (d) of section 18 shall be applicable for fiscal years beginning July 1, 1959.

(g) The amendments in sections 40 and 42 shall take effect when enacted: *Provided, however,* That with respect to injuries or deaths occurring on or after January 3, 1959, and prior to the effective date of these amendments, claims filed by employees engaged in the State of Alaska in any of the employments covered by the Defense Base Act (and their dependents) may be adjudicated under the Workmen's Compensation Act of Alaska instead of the Defense Base Act.

DEFINITION OF "CONTINENTAL UNITED STATES"

SEC. 48. Whenever the phrase "continental United States" is used in any law of the United States enacted after the date of enactment of this Act, it shall mean the forty-nine States on the North American Continent and the District of Columbia, unless otherwise expressly provided.

OTHER SUBJECTS

SEC. 49. The amendment by this Act of certain statutes by deleting therefrom specific references to Alaska or such phrases as "Territory of Alaska" shall not be construed to affect the applicability or inapplicability in or to Alaska of other statutes not so amended.

SEPARABILITY

SEC. 50. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. ASPINALL (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, I have at the Clerk's desk certain clarifying and perfecting amendments which I offer at this time.

The CHAIRMAN. The Clerk will read the amendments.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 5, line 3, strike out "1756(d)" and insert "1736(d)."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 5, line 21, strike out "paragraph (6)" and insert "Paragraph (6)."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 11, line 21, strike out "40" and insert "44."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 13 strike out "amanded" and insert "amended."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 14, strike out "all," and insert "all".

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Page 23, line 17, strike out "person," and insert "personal,".

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 28, strike out all of lines 3 through 13.

Mr. GROSS. Mr. Chairman, I am sure this legislation is necessary. I have some doubts, however, about sections 21 and 35, and I am absolutely opposed to section 45 of this bill which provides:

SEC. 45. If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function or substantially the same function has been or will be assumed by the State of Alaska, the President may, until July 1, 1964, in his discretion transfer and convey to the State of Alaska, without reimbursement, any property or interest in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function.

Mr. Chairman, that is a delegation of power which should not be given by Congress to any President, now or in the future. This is power which should not be given to any President and I am opposed to this section, and I will be forced to oppose the bill if the section remains as it is presently worded.

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

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

Mr. PELLY. Would the gentleman feel that way with the General Services, if a department of Government would find that its property was surplus and it would be turned over to GSA to dispose of. Would that satisfy the gentleman?

Mr. GROSS. I simply want to get at this arbitrary power given to any President to turn over at his discretion, any property, real or personal. That is going entirely too far. If someone else wants to work out a clarifying amendment, that is all right with me. Unless that is done I must insist on my amendment to strike the entire section.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, as I stated a moment ago, I can understand the concern of very distinguished Members of this body about the powers contained in the sec-

tion that the gentleman from Iowa would strike from the bill; but it is my very firm conviction that if we strike that section we have stricken the heart of the bill and we are going to with one hand extend help to the new State in its transition period and with the other hand withdraw.

We are not gagging at the idea of turning over the airports, we are not gagging at the idea of turning over the roads, we are not gagging at the idea of turning over the health system; but we are gagging at the idea of turning over equipment, which, in my opinion, is a substitute for dollars that some Members say you must add in your total cost of this bill. I am willing to make that addition, but if we say to this State: "You cannot have this under the requirement you must take over by July 1; you must go out in the highways and byways and buy it or do anything else to get this material," we are placing them in an impossible situation.

If some member of the committee has language which might refine or revise the section, I should be very happy to consider it, but to strike it out would strike a mortal blow to the bill itself.

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

Mr. O'BRIEN of New York. I yield to the gentleman from Iowa.

Mr. GROSS. Why did not the committee place disposition of property in the hands of the Commission, and why set up one individual to say this property can be turned over and without limitation except as to the year 1964?

Mr. O'BRIEN of New York. May I say to the gentleman in reply that I would rather trust the President who would have the advice of experienced departments, such as the Department of the Interior and the Defense Department, than I would some as yet unnamed group of three, four, or five citizens to determine this thing. I think the committee was impelled partly by the fact that we are near the deadline, July 1, and it is necessary to make this transfer quickly if it is to be effective. I think we should keep in mind the very name of this bill. It is an omnibus bill. What we ordinarily do piece by piece with surplus property we are doing as a package in an omnibus bill. So I think there is justification here where it might not exist in other cases.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 28, line 4, strike out the present text of section 45 and insert in lieu thereof the following:

"SEC. 45. If the President determines that the performance of any function by the Federal Government in Alaska has been or will be terminated or curtailed, that performance of the same or substantially the same function has been or will be assumed by the State of Alaska, and that the termination or curtailment of the Federal function and the assumption thereof by the State will be facilitated by transferring, conveying, or lending to the State property or interests in property, real or personal, situated in Alaska which is owned or held by the United States in connection with such function, the President may, in his discretion and without requiring reimbursement therefor, (a) transfer and convey to the State any such real property or interests therein and (b) lend to the State, pending further enactment by the Congress of provisions for the ultimate disposition thereof, any such personal property. The power to make a transfer, conveyance, or loan contained in this section shall terminate July 1, 1964. The provisions of this section shall not be applicable to property transferred pursuant to sections 21 and 35 of this act or preclude transfers under the surplus property laws of the United States."

Mr. SAYLOR. Mr. Chairman, the purpose of this amendment is to clarify the committee's thinking so as to enable the new State of Alaska to function after the 1st day of January 1959. It is interesting to note that this entire bill was worked out by the Bureau of the Budget. I have heard people get up on the floor of the House and say that the amendments which have been offered should be accepted because the Bureau of the Budget recommended them. Now, the Bureau of the Budget, which is a creature of this House, which is set up to enable the Government to function properly, has recommended that section 45 be in this bill. They have recommended all the other sections be in this bill, and in order to enable the new State of Alaska to actually function and take over all of its facilities, I have offered this substitute amendment.

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

Mr. SAYLOR. I shall be happy to yield to my chairman, the gentleman from Colorado.

Mr. ASPINALL. What the gentleman's amendment does is merely this: It authorizes the President to transfer and convey all real property that is necessary for the State to take over the activities which this bill makes necessary that the State take over.

Mr. SAYLOR. That is correct.

Mr. ASPINALL. At the same time it permits the President, if he desires, to lend any such equipment as is necessary which the Federal Government does not need, which is in excess of the Federal Government's needs. It makes it possible for the President to lend that property to the State of Alaska until we proceed through the regular procedures for the transfer of such excess to a governmental agency or State.

Mr. SAYLOR. That is correct. That should meet the objections of the gentleman from Iowa [Mr. GROSS] who says that we are giving the authority to the President to give away anything. This will bring it in conformity with his request.

Mr. ASPINALL. Not only that, if the gentleman will yield further, it ties perhaps a little bit better than the original provision the granting or the conveying of property, the lending of property, to the funcions that are set forth in this particular bill in these various instances.

Mr. SAYLOR. That is correct.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. I would simply like to say, in an effort to be agreeable, that I would be very happy to support the amendment offered by the gentleman from Pennsylvania.

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

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

Mr. PELLY. How would your perfecting amendment affect property such as vessels and airplanes which the Fish and Wildlife Service use and for which they will have no further use when they transfer the fisheries resources management over to the new State?

Mr. SAYLOR. This will enable the President to loan them to the new State of Alaska.

Mr. PELLY. They are pretty obsolete as they are now. By the time they get through using them, they will not be worth much. They might as well give them away.

Mr. SAYLOR. That is correct.

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

Mr. SAYLOR. I will be happy to yield to the distinguished majority leader.

Mr. McCORMACK. I notice in the amendment offered by my friend from Pennsylvania that the provisions of this section shall not be applicable to property transferred pursuant to sections 21 and 35 of this act, and particularly this language, "or preclude transfers under the surplus property laws of the United States." Now, my understanding is that if the Federal Government owns property and it is declared surplus in the case of personalty or excess in the case of realty, that under the present law, with reference to the disposition of surplus property, first the Federal agencies have got to be screened to see if any of them want it; is that correct?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. The gentleman desires to protect them?

Mr. SAYLOR. I certainly do.

Mr. McCORMACK. Secondly, if any Federal agency desires surplus property, in the case of excess personalty or in the case of excess realty, then it goes to General Services to enable the beneficiaries under the present law, with reference to surplus property or excess real estate, to exercise their rights; is that correct?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. I happen to be the author of the amendment to the Donable Property Act, with which I am sure the gentleman is acquainted.

Mr. SAYLOR. That is right.

Mr. McCORMACK. And, by the way, according to the report last month, institutions throughout the country got $33 million in acquisition value—that is, hospitals, colleges, schools, and other beneficiaries under the law. So that the gentleman's amendment protects their rights before there can be transferred or loaned any of this property to the State of Alaska; is that right?

Mr. SAYLOR. That is correct.

Mr. McCORMACK. I wanted to clarify the record in that respect.

Mr. SAYLOR. I thank the gentleman from Massachusetts.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in hopes that we can work out something here that would do what these gentlemen want to do and at the same time we would know what we were doing. As it is now, this is a blanket authority given to the President—not to Congress, but to the President to assume the legislative powers of Congress, to give away Federal property. I am just naturally opposed to that kind of procedure. I do not think we ought to do it. Why can we not write legislation so that we, as Members of Congress, will be doing the thing that we are required to do under the law?

This provides that the President may give away any property connected with any function that the Federal Government has been performing up there. The Federal Government has been the Government up there. The Federal Government has exercised every function, and every bit of property that the Government owned up there was operated in connection with some function that the Federal Government has been performing.

I think this language could be changed so that they could do the thing that is necessary, and I should like some of these gentlemen who know all about Alaska to tell me how we can do that. I do not know anything about Alaska except what I had learned last year when I was trying to prevent this statehood bill from going through in the first place.

For instance, who owns the Alaskan Railroad up there?

Mr. O'BRIEN of New York. If the gentleman will yield, the Federal Government.

Mr. SMITH of Virginia. And if the Federal Government should decide that it was going to decrease the service that it was providing up there, it would be diminishing the functions, and under this bill it would seem to me that the President can give away to the State of Alaska the Alaskan Railroad, on which the Government has spent hundreds of millions of dollars to build. That raises just one little question. And it is not such a little question after all.

If the gentleman would look at the Consent Calendar today—I picked it up while this debate was going on—he would find three bills on this calendar under which Congress, pursuant to its constitutional duties, was giving to this city or that city so many acres of ground, abandoned as an airport; giving to some other State something else where the Government had ceased to function. There were three bills of that kind on the Consent Calendar that we passed this morning. Why can we not do this thing with some degree of regularity? It seems to me we have been too lax in all of this statehood bill, and I am merely asking that we know what we are doing before we do it.

I would suggest that the amendment which the gentleman from Pennsylvania has offered, if it were confined to real estate, if it were confined to the real estate involved in the airports that you want to give away and the highway rights-of-way that you want to give away, I think that would very largely remedy the situation.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. O'BRIEN of New York. Perhaps my understanding is not correct, but it is my understanding that the only real estate that would be turned over would be in connection with the functions which are turned over to the new State. There is nothing in this bill, nor is there any legislation planned that I know about, to turn over the Alaskan Railroad, to turn over our great forest reserves up there, or to turn over those very rich oil lands which the Federal Government has retained. And there is nothing in this bill that would permit the President to turn over any of those things to the new State.

Mr. SMITH of Virginia. It says, when any function performed by the Federal Government has been terminated or curtailed. If the Federal Government has got some land up there it does not want to police any more, it has terminated a function, and the President can then give it away. That is the fundamental thing to which I object, I will say to my friend; for the Congress to delegate its power to the President or anybody else to perform a constitutional duty that is laid upon Congress. I do not think we ought to do it for this bill or any other bill.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is an extremely important matter but I hesitate to make any observations because I am not a member of the committee and have not had an opportunity to sit in on the hearings. I have the highest respect and regard for this great committee that has reported this bill to us. But, I want to call your attention to the fact that the Constitution of the United States, and we are all familiar with the provision, but I would like to read the exact language of the Constitution in this regard, provides:

> The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Of course, therefore the Congress can dispose of this or other property. It is true, I think, that constitutionally we could delegate authority to dispose of property. I assume we could give that right to the President, but it seems to me it would be a bad policy. I certainly do not want to be a party in any way to injuring this bill because, generally speaking, I think it is an excellent bill. But why would not the following language be a good provision here. I would suggest the following:

> If the President determines that any function performed by the Federal Government in Alaska has been terminated or curtailed by the Federal Government and that performance of such function, or substantially the same function, has been or will be assumed by the State of Alaska, the President may until July 1, 1964, in his discretion, subject to the approval of Congress, transfer and convey to the State of Alaska without reimbursement any property or interest in property, real or personal situated in Alaska which is owned wholly by the United States in connection with such function.

Some might say that that suggestion "subject to the approval of Congress" would be somewhat meaningless and would tend to nullify the other provisions of this section. But, I do not think it would because it would show that the purpose of the Congress is to permit the President to make a survey of the situation, and if he finds that it is advisable to do this, then, of course, he would have the right to do it subject to the approval of the Congress. I assume the Congress would go along with it, if it were a feasible and reasonable situation. But, it does seem to me that there is a pretty strong point made by the suggestion that it would be unwise to just permit the President of the United States to give away property without any checking on the part of the Congress. I merely offer this as a suggestion. It may not be a wise suggestion, but I am rather impressed with the idea that it is a bad practice here to say the President alone should determine whether or not this property should be given to the State of Alaska; it might amount to millions upon millions of dollars worth of property. I certainly do not want to hamstring the great State of Alaska in any way, but it just seems to me a pretty good idea to say that the Congress, which the Constitution, of course, enjoins to act in this field, should have some final say about it.

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

Mr. MORRIS of Oklahoma. I yield to the distinguished majority leader.

Mr. McCORMACK. The gentleman realizes that under the Saylor amendment, before the President can exercise his authority the various departments have to be screened as to whether they need the property. The gentleman understands that; does he not?

Mr. MORRIS of Oklahoma. Yes, sir; I understand that at least is understood.

Mr. McCORMACK. Secondly, before it can be transferred to Alaska, the hospitals and any colleges or schools have to be given an opportunity to determine whether they can use it under the donable property act. The gentleman understands that, of course?

Mr. MORRIS of Oklahoma. That is my understanding of the purport of the amendment.

Mr. McCORMACK. Of course, I realize the potency of the argument of my friend, the gentleman from Virginia and also the position of my friend, the gentleman from Oklahoma. I would probably be better off sitting on the sidelines, but here we have a new State which is just coming into the Union. The gentleman realizes, of course, that we are faced with a very practical situation in connection with the new State. Where these requirements have to be met, it might justify an exception to the general rule. The gentleman would recognize that; would he not?

Mr. MORRIS of Oklahoma. I recognize that it might; yes, sir.

Mr. McCORMACK. If my friend, the gentleman from Oklahoma, were to have his amendment adopted, it would be better to strike the whole section out because we are simply saying that the President can do something and then we say he cannot do it until he comes back to the Congress.

Mr. MORRIS of Oklahoma. Yes, I recognize that, but it would be expressing the thought on the part of the Congress that there would be that assumption that it probably would be a suitable thing to do; but to keep the power within the Congress. Naturally the President's findings would probably have great weight with Congress.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MORRIS] has expired.

Mr. MORRIS of Oklahoma. Mr. Chairman, I ask unanimous consent to speak for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS of Oklahoma. Mr. Chairman, I recognize the fact that we should be very liberal with this great new State that is coming into the Union. As I say, I certainly do not want to be a party in any way of doing anything that would be injurious to the regular, proper, and valid functioning of the new State. I have offered this proposal merely as a suggestion not as an amendment as yet. Then I would suggest this to the distinguished majority leader. As I understand the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR] it only applies to personal property and it does not apply to real estate; is that not correct?

Mr. SAYLOR. It allows the President to make a gift of real estate.

Mr. MORRIS of Oklahoma. But not of personal property?

Mr. SAYLOR. That is right.

Mr. MORRIS of Oklahoma. Mr. Chairman, I thought I would make these observations. It seems to me we are going a rather long way to permit the President of the United States to give away what might amount to millions and millions of dollars worth of both real property and personal property.

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

Mr. MORRIS of Oklahoma. I yield.

Mr. ASPINALL. Does my colleague understand that the only real property involved here is real property which presently is owned and controlled by the Federal Government to take care of the functions of the Federal Government presently which will be turned over to the new State of Alaska? That is the only real property involved. For instance, if the property is not turned over the Federal Government has got to continue its operation of the airports at Anchorage and Fairbanks; not only that, but most likely there will be extensive work needed on them in the very near future.

Mr. MORRIS of Oklahoma. May I ask the distinguished chairman of the committee—and that is one reason why I most always go along with this committee, because of the high regard and respect I have for its great chairman, Mr. ASPINALL of Colorado, but may I ask if it is not conceivable that the President under the present wording could turn over military installations?

Mr. ASPINALL. No, because it is not one of the functions enumerated further down in the bill.

Mr. MORRIS of Oklahoma. Would the gentleman say, then, that under the practical setup the functions referred to here are of such nature that his turning them over to the State of Alaska would not seriously injure the functioning of the United States of America in that area?

Mr. ASPINALL. I would say that this applies only to certain things such as airports, highways, the mental hospital, and to the general hospital and the recreational programs that were authorized for Alaska two or three years ago.

Mr. MORRIS of Oklahoma. I think the gentleman has made that clear.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have said that I would support the amendment offered by the gentleman from Pennsylvania, and I intend to do so. I think if that amendment should be adopted this controversy would be settled.

If this amendment is not adopted, I think it might ease the minds of some Members for fear that the President or somebody for the President might reach out and give a million acres to the new State or someone else, it might ease everybody's mind if we inserted a comma at the end of the present section and spelled it out as follows:

The transfer of which functions is authorized in this act or the act of July 7, 1958.

In other words, it would be limited strictly to functions of the new State in these specified fields: The taking over of the airport, the taking over of the mental health system, the taking over of highway construction and maintenance. I think that would spell it out very specifically for the Members.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. SMITH of Virginia. I wonder if that would be agreeable to the gentleman from Pennsylvania.

Mr. SAYLOR. That is perfectly agreeable to me.

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

Mr. O'BRIEN of New York. I yield.

Mr. McCORMACK. Where does that leave the surplus property?

Mr. SMITH of Virginia. There is not any surplus property.

Mr. McCORMACK. Would surplus property be available to schools and hospitals up there? Would they have the benefit of the present law in relation to surplus property?

Mr. O'BRIEN of New York. It is my belief they would continue to have that as any State has.

Mr. McCORMACK. In other words, that is the intent of the committee, not as any other State, but any of the other beneficiaries.

Mr. O'BRIEN of New York. Any other beneficiaries; yes.

Mr. McCORMACK. Under organic law.

Mr. O'BRIEN of New York. Yes.

Mr. McCORMACK. That is all right with me.

Mr. SMITH of Virginia. Would the gentleman from Iowa be satisfied with that provision?

Mr. GROSS. Yes. Does the gentleman propose to offer an amendment to the pending amendment or will he offer it after the pending amendment is acted on?

Mr. O'BRIEN of New York. I think it might be a little better if the amendment to the amendment and the original amendment were withdrawn. I think that would simplify it. Then I would offer this amendment. I hope that clears up the doubt in the gentleman's mind.

Mr. MORRIS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. MORRIS of Oklahoma. I want to say it certainly does satisfy me, and I am glad the gentleman has made that suggestion. I believe this short debate here on this matter has been very helpful and very clarifying. I express my appreciation to the gentleman for his willingness to offer it.

Mr. O'BRIEN of New York. I will say to the gentleman I know that the members of the committee have been disturbed by this as well as certain very distinguished Members of the House, and we have been striving to find some language that would ease those fears. I think this will do it. Certainly I would urge it most strongly.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent to withdraw the substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to withdraw the amendment which I offered. I take this action on the understanding that the amendment will be offered as stated.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. O'BRIEN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN of New York: On page 28, line 13, before the period insert the following: "The transfer of which function is authorized in the Act or the Act of July 7, 1958."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'BRIEN].

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. ANDERSON of Montana, 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. 7120) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, pursuant to House Resolution 279, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

Mr. ASPINALL. Mr. Speaker, in the O'Brien amendment offered in the Committee of the Whole the word "the" should be changed to read "this." I ask unanimous consent that the Committee amendment may be so changed.

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

There was no objection.

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, was read the third time, and passed, and a motion to reconsider was laid on the table.

ONE HUNDREDTH ANNIVERSARY OF THE SETTLEMENT OF THE STATE OF COLORADO

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7290) to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy.

The Clerk read the title of the bill.

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

Mr. ARENDS. Mr. Speaker, reserving the right to object, I think the gentleman has cleared this all the way around on both sides of the aisle?

Mr. JOHNSON of Colorado. That is right.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. JOHNSON]?

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 in commemoration of the one hundredth anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the United States Air Force Academy, the Secretary of the Treasury is authorized and directed to strike and furnish to the Colorado Rush to the Rockies Centennial Commission not more than ten thousand silver medals, one and five-sixteenths inches in diameter, with suitable emblems, devices, and inscriptions to be determined solely by the Secretary of the Treasury. The medals shall be made and delivered at such times as may be requested by the Commission in quantities of not less than twenty-five hundred, but no medals shall be made after December 31, 1959. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Colorado Rush to the Rockies Commission, the Secretary of the Treasury shall cause duplicates in silver of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

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.

SENATE JOINT MEMORIALS OF THE 50TH LEGISLATIVE ASSEMBLY OF THE STATE OF OREGON

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include memorials from the Oregon Legislature.

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

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, it is with pleasure that I place before the House Senate Joint Memorials 6, 8, 9, and 11, of the 50th Legislative Assembly of the State of Oregon. These memorials have received the approval of both houses of the recently-adjourned Oregon Legislature.

SENATE JOINT MEMORIAL 6

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the 85th session of Congress enacted a new military pay law, Public Law 85-422, concerning an increase in the basic and other pay of Armed Forces personnel; and

Whereas this law denies to those retired after June 1, 1958, including those retired because of disability incurred in line of duty, to have their retired pay computed at the increased rate; and

Whereas retired members of the Armed Forces of the United States reside in every portion of our country, and the State of Oregon is privileged to have many retired personnel who have served their country faithfully and with distinction; and

Whereas there appears to be no basis for this gross discrimination against retired personnel who by reason of past meritorious services are equally entitled to benefits granted active duty members of the Armed Forces and survivors of military personnel; and

Whereas the circumstances of retirement should not penalize these members of our society, who must meet the present increased cost of living the same as active duty personnel and survivors: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be memorialized to amend Public Law 85-422, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

Resolved, That copies of this memorial be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to all members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 22, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 8

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas it is believed that the Congress of the United States, the Federal courts and all Federal departments and agencies concerned should recognize the importance and sanctity of water rights of individuals and of the several States; and

Whereas it is feared that failure to recognize and acknowledge the importance of such rights may develop into a pattern of Federal usurpation of individual and States' rights over water: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States be and it respectfully is memorialized to take all necessary action:

(1) To preserve the water rights of the individual and of the States and to prevent Federal usurpation of those rights;

(2) To see that legislation is initiated and supported to reestablish to the individuals and to the States such rights as may have been taken from them by either the Federal courts or any department or agency of the United States; and

(3) In every way possible to reaffirm, renew, and defend the concept that water rights are property rights and that these established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to those Members of the House of Representatives and the Senate representing the State of Oregon.

Adopted by senate April 15, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 21, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 9

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legisla-

tive session assembled, most respectfully represent as follows:

Whereas 1½ million American citizens are visiting, working, and living in foreign countries; and

Whereas no governmental agency makes permanent birth, death, marriage, divorce, adoption, and other vital records for these citizens comparable to those obtainable by citizens resident in the continental United States through State offices of vital statistics; and

Whereas vital events affecting many U.S. citizens go unregistered, and the lack of proof of the fact of such events make difficult the collection of insurance, qualification for inheritance, obtaining veterans' benefits and proof of U.S. citizenship; and

Whereas the forms and procedures used by the State Department make no allowances for errors and an incorrect State Department report of birth cannot be corrected or changed; a child of American citizens adopted by other American citizens in a foreign country can never have a birth certificate in his new name; an American woman bearing a child out of wedlock can never obtain a new birth certificate for her child if she marries; American citizens adopting foreign children overseas cannot obtain a new birth certificate for their child from the Federal Government until they have returned the child to this country; and

Whereas overseas births to American parents not registered with the State Department must be judged on an individual basis by the Immigration and Naturalization Service of the Department of Justice for the possible awarding of a certificate of citizenship, and neither this certificate nor the State Department report of birth is comparable to a standard certificate of birth issued by the State governments within the United States; and

Whereas a number of persons have been denied passports because either (a) the official State delayed certificates of birth which they present in evidence of their American citizenship are not acceptable to the State Department; or (b) they are adopted persons who have subsequently received new birth certificates in their adopted names when their status was legally changed; even though such certificates meet required national registration standards and clearly show the types of records used to establish conclusively the date and place of birth of the registrant and the names of his parents; and

Whereas all State registration offices recognize the principle that a person should have a birth certificate in his legal name and that such certificate should make no reference to his previous status: Now, therefore, be it

Resolved by the Senate of the State of Oregan (the House of Representatives jointly concurring therein), That action be taken to establish in the Federal Government a single vital statistics registration office with responsibilities, duties, and scope of activities similar to those of offices of vital statistics now existing in every State, such central Federal office of vital statistics registration to prepare, register, and issue necessary certified copies of birth, death, marriage, divorce, adoption, and allied records of such occurrences to American citizens visiting or living outside the United States and its Territories; be it further

Resolved, That the proposed Federal Vital Statistics Office should receive from the Immigration and Naturalization Service the facts of vital events concerning all naturalized citizens necessary to the preparation and filing of vital records and the issuance of certified copies thereof; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States and to all Members of the Oregon congressional delegation.

Adopted by senate April 17, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 21, 1959.

ROBERT B. DUNCAN,
Speaker of House.

SENATE JOINT MEMORIAL 11

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Tualatin River and its tributaries, located in northwestern Oregon, form a basin for an area of land covering approximately 711 square miles; and

Whereas in the past, due to the absence of any flood control and irrigation facilities, adjoining lands have been adversely affected by inundation during winter months and lack of adequate supplies of water during summer months; and

Whereas there is contained within the Tualatin River Basin many and varied interests urgently in need of preservation and protection, such as fish, wildlife, extensive recreational facilities, agricultural pursuits, and many other needs vitally affected by the presence or lack of water; and

Whereas the Bureau of Reclamation, Department of the Interior, in the course of an investigation and report submitted in 1956, did recommend an extensive plan of improvement for the Tualatin River Basin; and

Whereas the report of the Bureau of Reclamation did recommend immediate construction of Scoggin Dam and Reservoir to provide 46,000 acre-feet of usable storage space; and

Whereas due to the accelerated increase in population since 1955 within the Tualatin River Basin, with its attendant additional demands in uses of land, natural resources, and recreational facilities, the conditions requiring flood control, irrigation, and other protective measures in said area, have become acutely aggravated: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That immediate action be taken by the Congress of the United States and the Federal Government to appropriate the necessary funds and to authorize and direct immediate consideration of suitable facilities, including but not limited to, a dam, reservoir, channel improvement, and such other reasonable and necessary facilities and improvements in the Tualatin River Basin, Oreg., to provide and preserve adequate and safe flood control, irrigation, and recreational facilities as will contribute to the betterment of fish and wildlife conditions and to the welfare of those citizens of the United States and the State of Oregon vitally affected and concerned thereby; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, and to all members of the Oregon congressional delegation.

Adopted by senate April 21, 1959.

Readopted by senate April 29, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house April 27, 1959.

ROBERT B. DUNCAN,
Speaker of House.

REPEAL OF TAX ON TRANSPORTATION OF PERSONS

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, this afternoon I have introduced for appropriate reference a bill to repeal the tax on transportation of persons. As you know, just before World War II, the Congress enacted the excise tax on the travel of persons as an emergency measure. The tax was designed to discourage unnecessary use of the transportation facilities of our Nation in order that they could be used to the greatest possible degree for the war effort. The tax, of course, applied originally to both domestic and foreign travel.

As you know, the excise tax on foreign travel was repealed by the Congress some time ago, leaving this tax applicable only to domestic travel throughout the United States, thus giving more advantage in competition to foreign carriers over domestic carriers. Further, action has been taken with regard to similar wartime measures, such as the tax on freight.

Therefore, Mr. Speaker, because the continued imposition of this discriminatory tax is at odds with and works against our overall national transportation policy to encourage and stimulate travel on regulated carriers, because the tax especially adversely affects those American families of the lower income brackets who have to use public transportation facilities, and further because it is imperative that economic incentives be provided for our common carriers in order to enable them to combat the financial difficulties presently being experienced by many of them, this bill is a must and should be enacted into law at the earliest practicable time.

Mr. Speaker, I understand that there are now some 18 bills pending to remove the transportation tax on persons. This indicates not only the interest of Congress, but the interest of large segments of our citizenry in the proposed legislation.

I am myself acutely aware of the keen interest of my own constituents in such a measure because of considerable correspondence I have received on the subject and in view of the recent adoption of a resolution favoring the repeal of the transportation tax on persons by the Birmingham Chamber of Commerce.

Mr. Speaker, may I urge the earliest possible consideration of this bill by the House Interstate and Foreign Commerce Committee and by the Congress.

WEST VIRGINIA IS GETTING SHORT CHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. HECHLER. Mr. Speaker, I believe that as a matter of principle our national defense installations should be located where they can best serve the national defense, as well as where they can be established and operated at a minimum of expense to the American taxpayers. Certain regions are more strategically located than others, and some are better suited by reason of climate, terrain, or accessibility to materials and transportation facilities.

For example, the Atlantic and Pacific missile ranges must be located in the coast States so we can test missiles over wide expanses of ocean. I am firmly against the kind of logrolling which would subject our defense program to narrowly sectional or selfish pulling and hauling.

But I am getting pretty hot under the collar about the way my State of West Virginia is shortchanged in Army, Navy, and Air Force installations. In contrast to the States which border West Virginia, the Mountain State has received virtually no share of the Department of Defense budget for installations. Even when you consider differences in population from State to State, it is an outrage that West Virginia is so far below the average in number of installations.

Now take the State of Ohio, a fine State bordering West Virginia. Ohio has four times as many people, but over 350 times as many active duty military personnel stationed within its borders. The annual payroll for Department of Defense civilian employees in the State of Virginia is over 75 times as big as West Virginia, but Virginia has only one and one-half times as many people as we have.

We have a chronic unemployment situation in West Virginia that has greatly reduced the State's gross income, and my State merits at least an even break in the defense picture. I am not suggesting that existing installations be boarded up so that new ones might be opened in West Virginia, or that some huge $10 billion missile center be opened up—all I am asking for is a fair deal within the limits of national strategy and economy.

When it comes to supplying men for war, Mr. Speaker, West Virginia supplies more than her share. When it comes to medals for valor, Mr. Speaker, West Virginia men are in the forefront. When it comes to Gold Star Mothers, the Mountain State has its full share. Why, then, is our State left out when the decisions are made on where to locate Army, Navy and Air Force installations?

This is only the opening gun in my campaign. I am going to stand up on my hind legs and roar until West Virginia gets the fair treatment she deserves.

Just to make sure that my own figures will not be interpreted as being prejudiced, I asked the Department of Defense to compile a series of tables for me on active duty military personnel, civilian employees, and major military installations in West Virginia and five surrounding States and under unanimous consent I ask that these be printed in the RECORD at this point:

Department of Defense—Number of military personnel (active duty) and civilian employees and estimated annual payrolls in West Virginia and surrounding States as of Dec. 31, 1958

	Active-duty military personnel		Civilian employees	
	Number	Estimated annual pay and allowances	Number	Estimated annual payroll
West Virginia	583	$2,183,000	1,113	$5,822,000
Ohio	20,705	81,970,000	40,709	209,933,000
Pennsylvania	16,953	60,386,000	69,360	363,110,000
Virginia	[1] 82,035	288,482,000	78,813	418,347,000
Maryland	[1] 49,369	178,253,000	41,564	217,566,000
Kentucky	42,780	149,057,000	11,986	62,607,000

[1] Partly estimated.

Number of active major military installations and activities in West Virginia and surrounding States as of Dec. 31, 1958

	Department of Defense	Army	Navy	Air Force
West Virginia	1	0	1	0
Ohio	16	8	2	6
Pennsylvania	30	10	18	2
Virginia	37	12	24	1
Maryland	26	8	17	1
Kentucky	6	5	1	0

LIST OF DEPARTMENT OF DEFENSE ACTIVE MAJOR MILITARY INSTALLATIONS AND ACTIVITIES IN WEST VIRGINIA AND SURROUNDING STATES

(Excludes contractor operated industrial plants)

(As of Dec. 31, 1958)

WEST VIRGINIA

Navy: Naval Ordnance Plant, South Charleston.

OHIO

Army: Columbus (Fort Hayes, headquarters XX Corps (Reserve); General Depot); Erie Ordnance Depot; Lima Ordnance Modification Center; Lordstown Military Reservation; Marion Engineer Depot; Rossford Ordnance Depot.

Navy: Cleveland Finance Center; Columbus Naval Air Station.

Air Force: Clinton County Air Force Base; Gentile Air Force Station; Lockbourne Air Force Base; Wilkins Air Force Station; Wright-Patterson Air Force Base (Headquarters Air Materiel Command); Youngstown Municipal Airport.

PENNSYLVANIA

Army: Carlisle Barracks; Indiantown Gap Military Reservation (Headquarters XXI Corps (Reserve)); Letterkenny Ordnance Depot; New Cumberland General Depot; Philadelphia (Frankford Arsenal, Quartermaster Depot, Army Signal Supply Agency); Tobyhanna Signal Depot; Valley Forge Hospital.

Navy: Mechanicsburg Supply Depot; Philadelphia (Boiler and Turbine Laboratory, Shipyard, Marine Barracks, Air Material Center, Marine Corps Supply Activity, Headquarters 4th Naval District, Aviation Supply Depot, Aviation Supply Office, Ordnance Supply Office, Ship Parts Control Center, Naval Home, Naval Hospital, General Stores Supply Office, Submarine Supply Office, Naval Receiving Station); Willow Grove Naval Air Station; York Ordnance Plant.

Air Force: Marietta Air Force Station; Olmstead Air Force Base.

VIRGINIA

Army: Arlington Hall; Cameron Station; Camp A. P. Hill; Fort Belvoir; Fort Eustis; Fort Lee; Fort Monroe (Headquarters Continental Army Command); Fort Myer; Hampton Roads Army Terminal; Richmond Quartermaster Depot; Vint Hill Farms Station.

Navy: Chincoteague (Naval Air Station, Aviation Ordnance Test Station); Dahlgren Proving Ground; Norfolk-Portsmouth Area (Naval Station, Supply Center, Retraining Command, Public Works Center, Naval Hospital, Shipyard, Naval Air Station, Headquarters 5th Naval District, Communication Station, Armed Forces Staff College, Fleet Training Center, Marine Corps Barracks, Dam Neck Fleet Defense Training Center, Little Creek Amphibious Base, St. Juliens Creek Ammunition Depot, Oceana Naval Air Station); Quantico (Naval Hospital, Marine Corps Air Station, Marine Corps Schools); Yorktown (Weapons Station, Schools Mine Warfare).

Air Force: Langley Air Force Base (Headquarters Tactical Air Command).

MARYLAND

Army: Aberdeen (Ordnance Depot, Proving Ground); Army Chemical Center; Army Map Service; Fort Detrick; Fort Holabird; Fort George G. Meade; Fort Ritchie.

Navy: Annapolis (Academy, Air Facility, Engineer Experimental Station, Naval Hospital, Naval Station, Small Crafts Facility); Bainbridge (Training Center, Naval Hospital); Bethesda (Naval Hospital, Naval Medical Center, Naval Medical Research Institute, Naval Medical School); David Taylor Model Basin; Indian Head Propellant Plant; Patuxent River Air Test Center; Hydrographic Office (Suitland); Naval Ordnance Laboratory (White Oak).

Air Force: Andrews Air Force Base (Headquarters Air Research and Development Command).

KENTUCKY

Army: Blue Grass Ordnance Depot; Fort Campbell; Fort Knox; Lexington Signal Depot; Louisville Medical Depot.

Navy: Naval Ordnance Plant (Louisville).

Department of Defense—Number and estimated annual pay and allowances of National Guard and Reserve personnel in drill pay status in West Virginia and Surrounding States [1]

	Number	Estimated pay and allowances
West Virginia	7,868	$3,101,000
Ohio	38,537	15,342,000
Pennsylvania	46,615	18,666,000
Virginia	17,267	6,713,000
Maryland	15,047	6,259,000
Kentucky	11,613	4,577,000

[1] Includes those undergoing 3-6 months active duty training for Army National Guard, Army Reserve and Air National Guard. Data from each of the military services are for dates between Dec. 31, 1958, and Mar. 31, 1959. Excludes Naval Reserves as data by State are not readily available. However, the total number of such Reserves in the 4th and 5th Naval Districts, which include these States plus Delaware, the District of Columbia, and part of southern New Jersey, is 25,124, and of these 8,757 are in the 5th Naval District which includes West Virginia, Virginia, Maryland, District of Columbia, and Kentucky.

THE FEDERAL RESERVE SYSTEM, AN AGENCY OF CONGRESS, OWNED 100 PERCENT BY THE FEDERAL GOVERNMENT, FIXES INTEREST RATES FOR CONGRESS ACCORDING TO THE TRICKLE-DOWN THEORY OF MELLON, HOOVER, STRAUSS, ET AL.

The SPEAKER. Under previous order of the House, the gentleman from

Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, the Federal Reserve System fixes interest rates for and on behalf of Congress. In truth, the Federal Reserve's Open Market Committee is acting for and on behalf of the Congress, not only when it determines interest rates, but when it determines how much money and credit shall be available to business, farmers, and consumers in this country. Who is this Open Market Committee and where does it get its authority?

OPEN MARKET COMMITTEE MOST POWERFUL GROUP

The Open Market Committee is composed of the seven members of the Federal Reserve Board and five presidents of Federal Reserve banks. These latter five members have been elected by representatives of the private commercial banks.

The Open Market Committee is no doubt the most powerful economic group in the world. It decides how much money shall be issued, and it decides what interest rates will be paid for the use of money. Congress has delegated this power to the Open Market Committee. It is a power—and a responsibility—reserved to Congress by the constitutional provision that "Congress shall have power to coin money, regulate the value thereof."

So when the Open Market Committee adopts policies that result in making money hard to get, or result in high interest rates, these policies are being adopted on behalf of the U.S. Congress. The Federal Reserve is acting as an agency of the Congress, and every Member of Congress has a responsibility for the things it does. The Federal Reserve is supposed to be carrying out the will of Congress. Therefore, when the Federal Reserve follows policies contrary to what Members of Congress believe to be in the best interest of the country, it is up to the Members to let that fact be known. This I am doing, and I think any Member of Congress who does not approve of the actions of this agency should consider doing the same thing—that is, speaking out against the renewed hard-money high-interest policy. I personally feel this to be a performance of my official duties. Why?

INCREASED INTEREST RATES ARE A HIDDEN TAX

Increased interest rates represent a hidden tax on all the people. Increased interest rates unbalance every budget in the United States, from the Federal Government's budget to the budget of the lowest income family. Increased interest rates cause all taxes to be increased and almost all prices to be increased. High interest rates are inflationary. The pretense that increasing interest rates is to fight inflation is just as ridiculous as pretending that pouring gasoline on a fire will put out the fire.

TRICKLE-DOWN THEORY

The main effect of increasing interest rates is to give a wage increase to the bankers and moneylenders. High interest is a hallmark of the trickle-down theory. The trickle-down theory was originated by a Secretary of the Treasury named Mellon who, it is said, had three Presidents serve under him. The high-interest policy was put into effect by President Hoover with the assistance of his able Secretary, Adm. Lewis L. Strauss. And I cannot help believing that many of the unwise decisions of President Eisenhower, particularly those concerning money, credit, and both foreign and domestic expenditures, have been influenced by such advisers as Admiral Strauss—and, I should add, George Humphrey. George Humphrey's policies were the same, and I believe they have continued to prevail in the Treasury, although he is no longer Secretary of that Department.

It has been my privilege to vote with President Eisenhower when I believed that he was right, and I have believed him to be right many times, particularly on matters of foreign affairs where no question of money and credit to foreign countries was involved. But on matters of money and credit, President Eisenhower's policies have been the traditional Republican policies initiated and pursued by Mellon, Hoover, Humphrey, and Strauss. Evidently it was such a group of advisers as this—advisers whose first allegiance is to the moneylenders—that persuaded President Eisenhower to take the position that the Federal Reserve System is an independent, fourth branch of the Government. Taking that position, as he has, seems to me to be President Eisenhower's greatest failure and his greatest misjudgment of the welfare of his country.

The Constitution places high duties and responsibilities upon the President of the United States. The Constitution specifically provides that "he shall take care that the laws be faithfully executed." The Federal Reserve Act is a law and, as I see it, the President has no authority to permit the Federal Reserve to secede from the Government, as it has done, nor to disclaim responsibility for taking care that this law be faithfully executed, as he has done. The President should prevent the Federal Reserve from following policies that levy extortionate interest charges on all the people and result in piling our debts, public and private, higher and higher.

Just how far do we think the Federal Reserve will go in using its delegation of congressional power for the special benefit of the bankers and moneylenders? Will it stop somewhere short of catastrophe?

Well consider this: The Federal Reserve Board is now recommending that Congress pass a bill to give away to the private banks about $15 billion of U.S. Government obligations. The Federal Reserve Board has asked Congress to pass the so-called vault cash bill, approving its proposal to turn over to the private banks, without cost to these banks, about $15 billion of securities which the Federal Reserve has bought in from the open market and paid for, and the interest payments on which now go back into the U.S. Treasury. If the Federal Reserve authorities had the slightest concern for the great mass of taxpayers, would they not propose that they turn these obligations into the Treasury for cancellation? Would they not propose that the Federal debt be reduced by this amount, instead of giving away these securities to the private banks?

FIFTEEN BILLION DOLLARS IN BONDS HAVE BEEN PAID FOR AND SHOULD BE CANCELED, THEREBY REDUCING THE NATIONAL DEBT BY 15 BILLION DOLLARS

The Federal Government has actually paid for it and owns the approximate $25 billion in bonds and other interest-bearing obligations of the United States now being held by the Federal Reserve System. It should retire $15 billion of these bonds now carried as a part of the national debt. This $15 billion in bonds should either be canceled and burned. The reasons for doing this were discussed by me in a talk last Monday, May 25, 1959, which appears in the CONGRESSIONAL RECORD of that date, commencing at page 9029. In this statement the following was shown:

First. The Federal Government owns the Federal Reserve System 100 percent, lock, stock and barrel.

Second. Three billion dollars a year could be saved in interest on our national debt; much more could be saved on other public and private debts.

Third. Commercial banks create money on credit of the Nation to buy and collect interest on United States Government bonds.

Fourth. The Federal Reserve Board in 1958 gave private commercial banks enough reserves free of charge to enable them to buy $10,400 million in Government bonds which will give them annual unearned interest of from $300 to $400 million a year; and then the Government will have to pay the amount due on the bonds to the commercial banks when they mature.

Fifth. The bankers' lobby, spearheaded by the American Bankers Association, the unregistered lobbying association, is now asking Congress to approve another giveaway in 1959 of $15 billion; this is contained in the so-called innocent-sounding "vault cash" bill.

In this statement of May 25 I inserted testimony from a number of prominent witnesses to prove without question that the Federal Reserve System is owned by the United States Government and that no proprietary interest is held by the private banks which hold certain so-called, but misnamed, capital stock. Although this point is not challenged by any authority, I am inserting herewith statements from other famous people with intimate knowledge of the Federal Reserve System who have appeared before congressional committees on this question. In addition, I will insert further testimony on the point that the Federal Reserves' Open Market Committee, acting for Congress, does in fact determine what interest rates shall be. And finally, I will insert a brief statement of Woodrow Wilson setting out the democratic objectives for the Nation's monetary system, as opposed to the trickle-down theory of the monetary system:

STATEMENT OF DR. E. A. GOLDENWEISER, MEMBER OF THE INSTITUTE FOR ADVANCED STUDY, PRINCETON UNIVERSITY, ON SO-CALLED STOCK IN FEDERAL RESERVE BANK—THE RECOGNIZED AUTHORITY ON FEDERAL RESERVE

Mr. GOLDENWEISER. Now, the ownership of the stock, as everyone here seems to agree,

has become a very minor matter. It is not a source of funds. I do not remember what the capital is now, but it is in the minor hundreds of millions, whereas the resources of the Federal Reserve are in the tens of billions, so that you can see that the ratio is negligible.

I think that it is of no particular consequence in that respect, and I think that if one were revising the banking system, that stock ought to be abolished, because I think it stands for the wrong principle, but, as I said at some length, I think it has lost all practical importance. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 775.)

Mr. GOLDENWEISER. The technical fact that the banks are legally owned by member banks has been referred to by several of the speakers, and it seems to me very properly it has been indicated that that is a piece of atavistic remnant of the philosophy of the Federal Reserve Act when it was enacted and that it has lost any important significance.

It is essentially a compulsory contribution to the capital of the Federal Reserve banks.

REMOVE THIS APPENDIX

If in the course of time a thorough revision of our whole banking legislation were undertaken, I would think that this appendix might be removed, and it could be done simply by having the Federal Reserve banks repay to the member banks the capital which is no longer necessary and which constitutes a very small part of the resources of the System.

If that were done, it would be done both because of logic and because of the appearance of political implications that are often attached to this. Practical importance it does not have. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, pp. 761–762.)

Dr. Goldenweiser was the outstanding authority in the United States on the Federal Reserve System.

WHAT AN IMPORTANT PUBLIC OFFICIAL AND OUTSTANDING NATIONAL BUSINESS LEADER SAID ABOUT SO-CALLED STOCKOWNERSHIP IN FEDERAL RESERVE BANKS

Mr. WIGGINS. My name is A. L. M. Wiggins, of Hartsville, S.C. I am chairman of the boards of directors of the Atlantic Coast Line Railroad Co., the Louisville & Nashville Railroad Co., and several smaller associated railroads. I am also chairman of the board of directors of the Bank of Hartsville, S.C., capital stock $100,000, and president of a small nonbanking trust company.

For the larger part of my business career I have been a director and manager of a number of small-business institutions engaged in finance, merchandising, agriculture, and manufacturing, and newspaper publishing.

From January 1947 to July 1948 I was Under Secretary of the Treasury. In this capacity, one of my duties was to assist the Secretary of the Treasury in the management of the public debt and, in particular, to maintain liaison with the Board of Governors of the Federal Reserve System, and other representatives of the open-market committee. (From hearings on Monetary Policy and the Management of the Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report—March 14, 1952, p. 220.)

* * * * *

Representative PATMAN. I want to ask you one or two questions on that point, Mr. Wiggins.

Do you consider the Federal Reserve System is a public institution?

Mr. WIGGINS. So far as the—yes; it is a public institution.

Representative PATMAN. A public institution? You do not consider the amount of stock owned by the commercial banks as sufficient to give them control of the institution?

Mr. WIGGINS. The stock ownership, in my opinion, has nothing to do with the control. It is a peculiar type of stock that earns only 6 percent. The owners of the stock have no interest in the earnings of the bank beyond the 6-percent dividend they get.

Representative PATMAN. And they have only paid in 3 percent.

Mr. WIGGINS. Well, they get 6 percent on the amount paid in.

Representative PATMAN. Yes, they get 6 percent.

Mr. WIGGINS. Six percent on the amount paid in. They have paid in only half of the par amount of the stock.

Representative PATMAN. In other countries of the world, do you know of another country where the central bank is not owned by the government?

Mr. WIGGINS. At the moment, I do not.

Representative PATMAN. I think the fact is, Mr. Wiggins, that in all countries the central bank is owned by the government, and in this country I do not consider that the commercial banks own the Federal Reserve banking system because they have that token amount of stock, which is so small and insignificant compared to the business done by these institutions; you agree with that, do you not?

Mr. WIGGINS. That is right.

Representative PATMAN. It is too small to consider that they would have any supervisory power by reason of the ownership of that small amount of stock which gives them a 6-percent dividend each year?

Mr. WIGGINS. That is correct, sir. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 221.)

COMMITTEE FOR ECONOMIC DEVELOPMENT NOW MAKING MONETARY STUDY—TWO OF THEIR IMPORTANT OFFICIALS TESTIFIED IN 1952

The Chairman of the Committee on Monetary, Fiscal, and Debt Policy of the Committee for Economic Development, Mr. J. Cameron Thomson, testified before the Joint Economic Committee on Monetary Policy and Management of Public Debt in March 1952. His testimony commences at page 296 of the hearings. Mr. Thomson was at that time, and I think he still is, president of the Northwest Bancorporation of Minneapolis.

Also a witness with Mr. Thomson was Mr. Marion B. Folsom, Chairman of the Board of Trustees, Committee for Economic Development. His testimony commences at page 291 of the hearings.

Both witnesses were heard at their request before being questioned by the committee members. With both of these gentlemen before the committee at the same time as witnesses the following colloquy took place:

Representative PATMAN. Do you consider the Federal Reserve System a public institution, Mr. Folsom?

Mr. FOLSOM. Yes, sir.

Representative PATMAN. And do you agree with that, Mr. Thomson?

Mr. THOMSON. Well, an unusual public institution.

Representative PATMAN. Do you believe that the amount of stock that the commercial banks hold in the Federal Reserve banks which I believe aggregates about $241 million, do you believe that that gives the bankers a right to say that they are the owners of the Federal Reserve System?

Mr. FOLSOM. It is a very limited ownership and actually it works out in practice that the relationship is quite different from the relationship in the ordinary stock company.

Representative PATMAN. It is not intended to be ownership.

Mr. FOLSOM. No.

Representative PATMAN. Mr. Wiggins made the suggestion the other day in I think a most reasonable and logical argument for continuance of that stock ownership that because of that the bankers would be more interested in that System and the System would get the benefit of their counsel and advice and experience and their services.

Mr. FOLSOM. Yes, there is no question about that.

Representative PATMAN. But as far as controlling and having an effect in the capital structure, it does not mean anything.

Mr. FOLSOM. No.

Representative PATMAN. Because it is too small. (From hearings on Monetary Policy and Management of Public Debt before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, p. 322.)

SO-CALLED STOCK OWNERSHIP IN PRIVATE BANKS IN FEDERAL RESERVE SYSTEM

Mr. W. L. Hemingway appeared before our Committee on Monetary Policy and the Management of the Public Debt in 1952. His testimony commences at page 324 of the hearings. Mr. Hemingway at this hearing was speaking for the American Bankers Association. He was a former president of the American Bankers Association; and when he was a witness, he was chairman of the executive committee of the Mercantile Trust Co., of St. Louis, Mo. His testimony on the question of stock was as follows:

Representative PATMAN. As a matter of fact, the stock does not mean much in the Federal Reserve System, does it, Mr. Hemingway?

Mr. HEMINGWAY. Well, it means this to us: That we have a voice in the operation of the bank; it is not a very loud voice, but still we belong.

Representative PATMAN. But, as you said here, the banker should not have a controling interest in it.

Mr. HEMINGWAY. That is correct.

Representative PATMAN. And that stock—some of the witnesses have testified, at least I got this from their testimony, this inference, that it was more of a token subscription, and did not enter into the solvency of the institution in any substantial way.

Mr. HEMINGWAY. That is right.

Representative PATMAN. It is very small compared to the tremendous amount of business that these banks are doing.

Mr. HEMINGWAY. That is right; yes.

Representative PATMAN. In fact, the last year, I do not know what the total business was, but I imagine they ran up to between $1 and $2 trillion.

Mr. HEMINGWAY. A very large volume of business.

Representative PATMAN. Yes.

THE FEDERAL RESERVE, AN AGENCY OF CONGRESS, DETERMINES FOR THE CONGRESS WHAT INTEREST RATES WILL BE

The Housing Act of 1954—83d Congress, 2d session—H.R. 7839 was considered in hearings conducted March 2 to March 18, 1954 before the Banking and Currency Committee of the House.

Mr. William A. Clarke, president, Mortgage Bankers Association of America, accompanied by Maurice R. Massey, Jr., president, Peoples Bond & Mortgage Co., Philadelphia, Pa., and Sam Neal, general counsel, Mortgage Bankers Association of America, testified. Testimony commencing at page 405 of the hearings.

The following colloquy took place as disclosed on pages 438 and 439:

Mr. PATMAN. * * *

Mr. Clarke, since, by reason of your experience in not only the mortgage-banking field but in the insurance field, and in the financial field, you evidently know a great deal about the interest rates on long-term governments, and how the interest rates are fixed, don't you think that the Federal Open-Market Committee has more influence on the fixing of the rates, both short and long term, than any other one factor in the United States?

Mr. CLARKE. They certainly seem to me to have it.

Mr. PATMAN. Well, don't they have complete authority? In other words, they have unlimited power to buy bonds and sell bonds, and even to create the money to do it, manufacture the money to do it?

Mr. CLARKE. That is correct.

Mr. PATMAN. Without reference to what they have. They have just got it. They just do it on the Government's credit.

Mr. CLARKE. That is right.

Mr. PATMAN. At one time Mr. MONRONEY, who sat here next to me before he went to the Senate, in 1947, at a hearing before this committee, interrogated Mr. Eccles, and Mr. Eccles, I guess, was longer with the Federal Reserve Board than any other one person, and was Chairman at that time.

Mr. MONRONEY said "Do you mean to say that with your present Open Market Committee, and the operation of the Federal Reserve, as it now stands, that regardless of what the national income is, or other economic factors, that you can guarantee to us that our interest rate will remain around 2.06 percent?

Mr. Eccles said—

"We certainly can. We can guarantee that the interest rate, so far as the public debt is concerned, is where the Open Market Committee of the Federal Reserve desires to put it."

You agree with that statement, do you not?

Mr. CLARKE. I do; yes, sir.

Mr. PATMAN. A hundred percent?

Mr. CLARKE. Yes, sir.

Mr. PATMAN. Thank you.

How President Wilson described the objectives of the Nation's money and banking system:

We must have a currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of everyday transactions, the normal ebb and flow of personal and corporate dealings. Our banking laws must mobilize reserves; must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for spectulative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses. And the control of the system of banking and of issue, which our new laws are to set up must be public, not private, must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative. (The Messages and Papers of Woodrow Wilson, vol. I, p. 13.)

COMMITTEE ON BANKING AND CURRENCY HAS REPORTED THE SO-CALLED VAULT CASH BILL CONTAINING $15 BILLION GIVEAWAY OF U.S. BONDS—COMMITTEE REPORT, INCLUDING DISSENTING VIEWS, IS AVAILABLE TODAY

Mr. PATMAN. Mr. Speaker, the Committee on Banking and Currency reported the so-called vault cash bill last week. The printed report, which is Report No. 403, 86th Congress, 1st session, is now available.

In the report, commencing at page 7, will be found dissenting views submitted by me. Reasons are given why this so-called vault cash bill is a giveaway bill; and my reasons are supported by a distinguished Harvard professor, Alvin H. Hansen. A statement by Professor Hansen, warning the Congress and the people against this proposal in the early part of 1958, published by the Harvard University Press in February, 1958, is contained in my dissenting views.

Members who are interested in this subject are urged to send to the document room for a copy of this report. It is in large type and in readable form.

BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF NUCLEAR WAR

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the special Subcommittee on Radiation—Joint Committee on Atomic Energy—of which I have the honor to be chairman will begin a series of hearings on June 15. The subject of our hearings will be "Biological and Environmental Effects of a Nuclear War."

As you know, it is the function and the duty of the Joint Committee on Atomic Energy to keep the Congress and the public informed. We believe it is in the national and international interest to establish, with the data now available, the probable effects on man and earth's environment of a world war in which nuclear weapons would be used by two or more nations.

In order to establish a firm base for computation of the damage which would occur from the blast, heat and radiation of such a war, it is necessary to project basic factors into an assumption pattern. We have therefore established, after a thorough study by subcommittee members, our staff, and experts in the various fields involved, a hypothetical nuclear attack on the United States.

If the question is asked why did we project an attack on the United States rather than on a potential enemy, our answer is very simple: We are in possession of unclassified public information regarding the United States, its geography, its populated industrial areas and its vital installations. None of the information is classified. It has been used many times by the Federal Civil Defense Administration, now the Office of Civil and Defense Mobilization, in their various civil defense exercises—operations alert.

We are concerned most particularly in the fate of our own society and its institutions. We wish to avoid the charge of saber rattling or aggressive war planning against a potential foreign foe. Although our hypothetical attack will be programed against the continental United States in realistic detail, it will be necessary to include some total figures of weapons exploded outside the United States for global radiation computation reasons.

A future nuclear war could not be a one-way attack. Retaliatory attack would be an inevitable concomitant. It is impossible to estimate the capability of a retaliatory attack and therefore, an arbitrary but, we believe, reasonable total figure has been selected.

While damage effects on our country will be specifically set forth, we want it definitely understood that similar effects would be applicable to any large continental area of similar population and industrial centers.

A great deal of speculation has occurred regarding the effects of a nuclear war. Studies have been made by private professional study groups. Studies have been made, of course, by the Department of Defense and the National Security Council. These studies have not been made public, nor has this subcommittee requested access to them.

However, the Joint Committee on Atomic Energy has studied the effects of nuclear weapons tests on an unclassified basis. The hearings on radiation fallout from bomb testing that our subcommittee held in 1957 and again in May of this year are voluminous and revealing. Our study of weapon development and delivery methods has been comprehensive. The published material of the Atomic Energy Commission on nuclear weapons effects and radiation effects furnish an adequate basis for realistic judgment.

The recent declassification of total bomb test fission yield—92 million tons—provides a base for extrapolative interpretation of global radiation measurements to date. It also provides the base for extrapolation of measurements of a future nuclear war of a thousand or more megatons—million tons—of fission yield.

We, therefore, have decided to use declassified data, public information, and ordinary good reasoning to establish, in the public interest, realistic background information vital to mankind's destiny.

BACKGROUND JUSTIFICATION FOR A STUDY OF NUCLEAR WAR EFFECTS

Three large nations are producing, on a massive scale, inventories of various types and sizes of nuclear weapons. They are developing a multitude of delivery systems ranging from some tactical weapons to be used in short-range military action to megaton sizes which are to be delivered by manned aircraft, intermediate range missiles, Regulus- and Polaris-type submarine missiles, and intercontinental ballistic missiles.

Today the three nations having nuclear weapons arsenals are the United States, U.S.S.R., and the United Kingdom. France may hold her first nuclear weapons tests this summer. It is inevitable that other nations will, in a few years, also develop nuclear weapons capability.

It is unrealistic to ignore the drive for nuclear weapons capability and the increasing probability that through miscalculation or intent, this capability will be used. To ignore the possibility of another world war in which nuclear weapons will be used is to indulge in blind, wishful thinking and rejects all of the lesssons of history.

If we are to avoid a nuclear catastrophe, we cannot do it on the basis of ignorance of the danger of nuclear war. Before a problem can be solved, it must be understood. An intelligent conviction of the need for escape from the horrors of nuclear war must exist in the minds of, not only diplomats, but in the minds and hearts of a majority of the people in all nations. It must be based on a clear understanding of the effects of a nuclear war on the human race.

It will be the purpose of our subcommittee to establish, in an objective, analytical manner, the specific facts on the effects of a nuclear war in which a specified number of nuclear weapons might be used.

The specific facts will be established by the testimony of competent witnesses in the various areas of relevance.

We believe the time has arrived to treat the people of the free world and our own people as though they were adult participants in the democratic processes of self-determination.

For too long our people have been forced to rely on general statements and descriptive phrases for their understanding of the effects of nuclear war.

Let me call your attention to some of these descriptive words and phrases:

President Eisenhower said recently that a nuclear war was "unthinkable."

Prime Minister Khrushchev recently stated that a nuclear war would "destroy civilization." He also said, "We will bury you" and "eight hydrogen weapons would destroy West Germany and eight more Western Europe."

Other prominent people have said that nuclear war would be "suicidal," "bring back the Dark Ages," "contaminate the earth's evironment—air, water, food, soil," and one of our most famous geneticists recently stated that a full-scale nuclear war would "poison the genetic pool of human life."

These are powerful descriptive words and phrases. But, are they understood by the average person?

The enormity of their meaning is so great that it is high time that they be analyzed in such a way as to convey meaning to the people.

The scope of meaning which is included in each of these powerful words or phrases is so wide and portentous that they defeat their purpose to convince most minds of the dangers described.

Comprehension of nuclear war danger must be built, perhaps slowly and laboriously, on specific facts. These facts are now known. They are unclassified. They should be compiled in an orderly, understandable manner.

Our subcommittee will endeavor to establish nuclear war effects through testimony and papers of competent witnesses who have developed, exploded, and carefully measured the blast, heat, and radiation effects of nuclear weapons tests ranging in power from less than a thousand tons of TNT to single-weapon tests which released many millions of tons of TNT power. We shall also draw upon the knowledge of a whole gamut of professional men and women who have conducted innumerable experiments in laboratories and under almost every condition of earth's environment, in their efforts to determine the effects of nuclear phenomena.

Enough unclassified, basic scientific knowledge exists today to permit reasonably accurate extrapolation. For instance, the blast, heat, and radiation effects of a peacetime bomb test of a million-ton nuclear bomb can be projected into the effects of a thousand or 5,000 megaton weapons, which could be used in a nuclear war. Unclassified information exists today which enables a congressional committee to establish, through reasonable assumptions, (a) numbers of probable targets; (b) numbers and sizes of weapons needed to destroy the selected targets; (c) scientific computation of blast power, heat degree, and radiation intensity in point of time and coverage.

The committee is aware that their attack pattern has been arbitrarily set forth. We are confident that our assumptions are defensible as would be true of larger or smaller patterns of attack. Problems of strategy in delivery or psychological factors have been deliberately set aside, as have factors of military defense, early warning, degrees of retaliatory capability, and so forth.

Our pattern of attack is based on the net delivery of 1,453 megatons of nuclear weapons on 224 U.S. target areas, using 260 separate nuclear weapons.

This pattern furnishes a base which is necessary for mathematical computation and biological estimation of effects.

In conclusion, Mr. Speaker, we, as elected Representatives of the people of a great democratic Nation, must carry a heavy load of responsibility for our people. For reasons of national security some of us must maintain inviolate, highly classified information vital to our national defense.

This obligation we discharge in all good conscience. We also bear an additional responsibility to inform our people in as full a measure as possible regarding the perilous problems which face our Nation in this nuclear age—in this age of phenomenal technological and industrial advancement, when the major effort of our great scientific minds seem directed to ever-increasing methods and vehicles of mass destruction.

The people of our Nation and the world have an undeniable right to know the basic facts which threaten their survival. Our people are called upon to support a military expenditure which takes 61 percent of their Federal taxes. They have the right to know how effectively that tax money is spent, in relation to its purpose of protecting their lives against enemy attack.

We have developed certain basic philosophies in our relations with other nations. To support our international diplomatic positions, we have adopted certain expressed military doctrines. Our expressed military policy today is based on the doctrine of "massive retaliation with nuclear weapons after the attack of an aggressor nation using nuclear weapons."

What does this doctrine mean?

Can this Nation survive a massive nuclear attack?

Can we retaliate after such an attack?

What degree will our retaliatory attack be in relation to our preattack capability?

How effective at this time is defense capability—ours or theirs—in relation to attack capability?

These questions and many others are related to the effects of a nuclear war and the formation of our military doctrine. We believe that the people are entitled to understand these effects so that they can evaluate existing international policies related to military strength and capability.

In a democracy the people must be informed properly or they cannot intelligently participate in self-government. They must be informed in this nuclear age as to the possibilities for survival. They must be in a position to evaluate the wisdom of a national policy based on massive retaliation with nuclear weapons after a full-scale nuclear attack by an aggressor.

They have the right to know whether or not a full-scale nuclear war can bring victory to us and defeat to our enemies. They have the right to know the facts, so they can judge the wisdom of our national policy at this time, or of any substitute policy which may be advanced in the future.

NUCLEAR TEST BAN CONSIDERATIONS

Mr. ROBISON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his 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. HOSMER. Mr. Speaker, proponents of banning any and all nuclear tests argue from a position of concern regarding fallout, that the ban would constitute a "step" toward disarmament, and it would lessen the danger of a nuclear war. Those who question the wisdom of such a ban have no less a concern for those matters as they pertain to the overall goal of a peaceful world. They concede that atmospheric tests, the only tests causing fallout, should, for that reason be restricted. However, they see reasonable doubts and questions that it would constitute a step

toward peace also to ban tests which do not cause fallout, that is, tests below the ground or far above the atmosphere. More specifically, they see strong possibilities it would constitute a step away from peace as the Western World understands that term.

The danger which the world faces is not from nuclear testing, limited so as not to cause fallout, but from nuclear war. Those who think otherwise mistake the shadow for the substance. Merely banning such tests applies no brake whatever on the buildup of arsenals of nuclear weapons which are neither clean nor discriminate. It would not in any sense represent meaningful disarmament or relax any of the world's tensions.

Further to evaluate claimed advantages of an all-out nuclear test ban, let us assume below-ground or above-atmosphere ban violations could be detected, stressing, however, that this is definitely not the fact. What then would be the situation if a Soviet violation were detected?

Would it be a cause for war? Probably not. An excuse for the West itself to resume testing? Probably. But how, as a practical matter, could the West do so? Western weapons laboratories would have been dismantled, research teams dispersed, and test equipment abandoned during the time which Soviet research teams and facilities were secretly kept together to overtake us and forge ahead in the military applications of nuclear energy. Result: Unlimited opportunity for Soviet nuclear blackmail.

What would happen if the West did detect Soviet violations and announced them? Undoubtedly, the Kremlin propaganda machine would issue denials and countercharges. Result: World opinion would be confused, probably many would disbelieve the Western disclosures, possibly many would believe the Soviet countercharges.

What would happen if tests were detected on the great land mass of Communist China? Would Communist Russia have merely shifted her testing o a coconspirator's soil? Or, has Communist China become a member of the nuclear club? In either event, could the West risk not attempting to regain nuclear equivalency by resuming tests? Could it ever do so because of the time lag?

These questions lead but to one conclusion: Even under optimum assumptions of violations detectability, a complete nuclear test ban would not, in and of itself, constitute any real "first step" toward disarmament, not materially lessen the danger of nuclear war. Rather, it could lead directly to a tremendous overbalance of nuclear power in Communist hands for use against the West. This possibility is particularly acute when considered in light of the 40-year consistent and doctrinaire use by Communists of treaty breaking and evasion as an artful tool in their drive to subjugate the non-Communist world.

Again, for the purpose of evaluation, let us disregard the detection question, disregard the Communist 40-year contempt of international agreements, disregard Red China, assume that inspection and detection is both politically and practically possible and assume the proposed all-out ban would, somehow, be scrupulously observed by the Soviets. Would it be a gain for world peace, or a gain for communism?

Rightly or wrongly the free world has based its defense on nuclear weapons simply because Communist manpower resources are such as to grant them overwhelming conventional superiority. Unless all its past actions are to be disregarded, the ultimate objective of the Communist bloc is one world, a Communist one. Realistically, it is safe to say that nothing stands in the way of the accomplishment of that objective except Sino-Soviet reluctance to pay the price of a nuclear war.

It is not illogical that this piece of realism explains Mr. Khrushchev's great efforts to paralyze both the West's will and the West's ability to use nuclear weapons.

The Communist "first step" is ban testing. Their "second step" follows: If nuclear weapons are too terrible to test, they are too terrible to use—so ban their use even though the difficulty of detecting stockpiles of existing weapons would make such a prohibition meaningless. Result: The West's nuclear capability is eliminated; Sino-Soviet conventional military power emerges overwhelming, and the objective of world domination becomes readily achievable at slight cost.

It is thus clear that unless the free world is prepared to surrender to Communist demands and Communist terms, it must have a Military Establishment which is not "second best" and which it is prepared to use effectively to prevent the free world's obliteration.

The moral question then is not the type of weapons with which the free nations must stock their arsenals to preserve freedom and the rich heritage of Western civilization. It is the morality of stripping those arsenals, imperiling that civilization and relegating its millions of souls to the slavery of the communes.

CRASH PROGRAM OF MEDICAL RESEARCH

Mr. CARTER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. CARTER. Mr. Speaker, today I introduced in this House a bill calling for $500 million to finance a crash program of medical research to discover the cause and cure of cancer, heart disease, and other major illnesses which, despite existing scientific efforts, remain incurable. Not only have we just lost our Secretary of State to cancer, but there are millions of other Americans afflicted with this terrible disease. There are several Members who sit in this House as well as in the Senate who are suffering from cancer as of this moment.

The best estimates available tell us 26 million people now living in the United States will die of cancer, 250 thousand of them this year. It is only through a sustained application of a great amount of effort and money that a breakthrough can be achieved and the barriers of the unknown rolled back. There are many admirable research programs being conducted at the present time, but I feel they are somewhat piecemeal and lack the sustained and relentless character that only adequate funds from a central national source can provide. The fortuitous one-man discoveries in medicine and science are gone forever and an all-out national effort is now the only thing that will successfully overcome the last remaining obstacles to a long and healthy life for everyone. I feel that since we were able to build a hydrogen bomb and embark on the space age through concentrated effort, that most certainly a similar effort should provide a cure for these tragic human maladies.

This bill which I am introducing would put the administration of the proposed crash program under the Surgeon General of the Public Health Service. He would be the coordinator of the research efforts of his own National Institutes of Health and National Cancer Institute, medical branches of the armed services, as well as universities, hospitals, medical schools, foundations, and other private institutions.

The program would be a cooperative effort between all existing research organizations, both public and private, engaged in work in the medical field. I feel every American has a tremendous stake in a program such as this bill proposes and that the per capita expense for the program is one that I feel every citizen would be happy to bear in order that the ominous cloud of these killing and crippling diseases might be removed from our individual lives.

In conclusion, Mr. Speaker, I would like to have included for the RECORD the wording of this bill, which is indeed brief and simple in form, and yet, if carried through, I sincerely think could have a tremendous impact on the welfare of all mankind:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000, to be expended by the Surgeon General of the Public Health Service in conducting a crash program of basic research (through the divisions and institutes established by or under title IV of the Public Health Service Act, and in such other ways as he may deem appropriate) with respect to cancer, heart disease, arthritis, multiple sclerosis, cerebral palsy, and other diseases of which the cause or cure remains unknown despite existing efforts in the sciences related to health, as authorized by (and subject to the provisions of) such title.

I humbly urge each and every one of my colleagues in the Congress of these United States, for and in the name of all mankind, to support and pass this bill.

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

Mr. CARTER. I yield to my colleague.

Mr. WOLF. Mr. Speaker, I am happy to congratulate my distinguished friend from Iowa and to say that I think he

has pointed to a very serious problem in America today. It seems that we are always in a hurry to appropriate money for military things, for roads, for housing; but sometimes we fail to look seriously at the human being himself and the requirements of humanity. I am sure that my distinguished friend knows very well the subject to which he speaks, and I am happy to join him in his remarks and to say that I hope all Members of Congress will urge the appropriate committee to take immediate action and hold hearings immediately on this vital legislation.

Mr. CARTER. I thank the gentleman.

FOOD ADMINISTRATION ACT OF 1959

Mr. RIVERS of Alaska. 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 to include extraneous matter.

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

There was no objection.

Mr. McGOVERN. Mr. Speaker, one of the most glaring paradoxes of the current scene is the existence of large quantities of surplus farm commodities at a time when countless millions of people are hungry both at home and abroad. It does not make very good economic sense for the American people to pay nearly a billion dollars a year storing surplus commodities when many Americans and multitudes of people in other lands are suffering from malnutrition.

Early in this Congress I introduced legislation providing for a greater use of American farm surpluses in countries suffering from food shortages. There is no doubt in my mind that in many cases we can contribute more to the peace and freedom of nations through bread than through contributions of expensive military equipment. To the two-thirds of the world's people who are suffering from hunger, it must seem strange for the United States to talk about food abundance as though it were a calamity instead of a great national asset.

Sadly enough there are many people even in abundant America who do not have adequate diets. At least 17 million of our citizens are estimated to be suffering from malnutrition. Congress has recognized this problem in part by authorizing the distribution of surplus commodities to the needy and the establishment of the school milk and school lunch programs. These programs have not reached the food needs of many of our citizens, however.

To better meet the challenge of hunger in the presence of food abundance, Senator KENNEDY and others have introduced legislation (S. 1884) to transfer the administration of the program for the distribution of surplus agricultural food commodities to needy persons from the Department of Agriculture to the Department of Health, Education, and Welfare. I have today introduced similar legislation in the House.

It is clear that legislation of this kind is needed. As things now stand, the Secretary of Agriculture is reluctant to use his authority to grant surplus foods to the needy on a broad scale because to do so would be to further increase the already strained agricultural department budget. Farmers and the Department of Agriculture have already been subjected to sharp public criticism for rising farm program expenditures. This may partly explain why authority to use farm surpluses to feed the hungry has been used in such a limited and sporadic fashion. We are all interested in utilizing farm commodities in such a manner as to benefit our farm producers, but it must also be recognized that feeding hungry people is primarily a welfare function aside from any relationship it may bear to agricultural economics. Considerations of morality and the welfare of our fellow citizens ought to be the paramount consideration. Certainly there is no moral or economic defense for a system that permits vast quantities of food to lay idle in Government bins at the public's expense when other Americans are hungry. This being true, what is the explanation for the fact that last year with more than five million Americans unemployed and millions of others underfed, we utilized less of our surplus food for the needy than in the previous year?

The present weaknesses in our food distribution program have been summarized by Senator KENNEDY as follows:

First. Many communities cannot participate because they are unable to pay the cost of local storage and distribution.

Second. It exists as a fringe activity of the USDA.

Third. The Secretary of Agriculture is basically opposed to the idea of donating food.

Fourth. The Commodity Credit Corporation, seeking to minimize losses, is reluctant to process and donate commodities for which there is any prospective reimbursable use.

Fifth. Costs of the donations program are erroneously charged to the farm program.

Sixth. No attention is paid to subsistence food needs, which the Department of Health, Education and Welfare is best equipped to determine.

Seventh. Standards are lacking for equitable distribution of surpluses.

Eighth. The types of food distributed are limited, unappealing, and insufficient for adequate diets.

The legislation introduced by Senator KENNEDY and myself would correct these weaknesses in the following ways:

First. It would transfer to the Department of Health, Education, and Welfare the responsibility for distribution of the food. The Commodity Credit Corporation would continue to purchase and store crops and the Department of Agriculture would retain full responsibility for parity prices and agricultural operations—but HEW would take over the welfare phase of the program.

Second. All costs would be allocated to the Department of Health, Education, and Welfare, where they belong. It is time we recognized that the program is a welfare program rather than an agricultural program.

Third. The emphasis of the program would be shifted to the consumer side of the picture. Desirable as it is to reduce surplus stocks, this should not be the sole criteria for determining distribution to the needy. Equally important is the standard of living of the needy.

Fourth. In order to provide a balanced diet to the needy, $150 million is authorized for purchases of such necessary food items as milk, butter, eggs, fruits and vegetables, poultry, and other meats. Purchases will be made so as to improve farm income to the fullest extent possible.

Fifth. Although States and local governmental units would continue to establish standards of eligibility, the Department of Health, Education, and Welfare is authorized to give general direction to this procedure by promulgating minimum standards of eligibility.

Sixth. Local welfare agencies would be given limited financial assistance in transporting, storing, and distributing the food.

Mr. Speaker, I believe that this legislation is a humanitarian measure that is also based on sound economics and good public administration.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHENOWETH, for Tuesday and Wednesday of this week, on account of official business attending the commencement exercises of the Air Force Academy as a member of the Board of Visitors.

Mr. CHAMBERLAIN (at the request of Mr. ARENDS), for Monday and Tuesday, June 1 and 2, 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. PATMAN, for 20 minutes on today and tomorrow, to revise and extend his remarks and to include extraneous matter.

Mr. KING of Utah, for 30 minutes, on Thursday next.

Mr. PORTER, for 60 minutes, on June 4.

Mr. JOHNSON of Colorado, for 10 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. ALGER.

(At the request of Mr. ROBISON, and to include extraneous matter, the following:)

Mr. CANFIELD.

Mr. SCHWENGEL.

Mr. MUMMA.

Mr. VAN ZANDT in two instances.

(At the request of Mr. RIVERS of Alaska, and to include extraneous matter, the following:)

Mr. DENT in two instances.

Mr. ANFUSO in two instances.

Mr. SANTANGELO.

Mr. RODINO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1901. An act to amend section 101(c) of the Agricultural Act of 1949, and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 947. An act for the relief of Lenora Bent.

ADJOURNMENT

Mr. RIVERS of Alaska. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 2, 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:

1039. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1958 (H. Doc. No. 162); to the Committee on Government Operations and ordered to be printed.

1040. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Alexander Hamilton Bicentennial Commission for the period of its existence, from August 20, 1954, through April 30, 1958; to the Committee on Government Operations.

1041. A letter from the Comptroller General of the United States, transmitting a copy of a letter to the Acting Director of the International Cooperation Administration concerning a report dated March 31, 1959, to the Congress on an examination of the economic and technical assistance program for Pakistan; to the Committee on Government Operations.

1042. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Buffalo Municipal Housing Authority, Buffalo, N.Y.; to the Committee on Banking and Currency.

1043. A letter from the Acting Secretary of Defense, transmitting a copy of a report covering a violation of section 3679, Revised Statutes, and Department of Defense Directive 7200.1, entitled "Administrative Control of Appropriations Within the Department of Defense"; to the Committee on Appropriations.

1044. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "a bill to amend Public Law 85-880, and for other purposes"; to the Committee on Foreign Affairs.

1045. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (includng maximum tolerances) under which such additives may be safely used"; to the Committee on Interstate and Foreign Commerce.

1046. A letter from the Secretary of Commerce transmitting a report of the activities under title XIII of the Federal Aviation Act of 1958 with respect to aviation war risk insurance for the period as of March 31, 1959; to the Committee on Interstate and Foreign Commerce.

1047. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "a bill to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance"; to the Committee on Armed Services.

1048. A letter from the Comptroller General of the United States, transmitting a report on the audit of Commodity Credit Corporation, Department of Agriculture, for the fiscal year 1958 (H. Doc. No. 163); to the Committee on Government Operations and ordered to be printed.

1049. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 26, 1959, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Mojave River, Calif., authorized by the Flood Control Act approved August 28, 1937 (H. Doc. No. 164); to the Committee on Public Works and ordered to be printed with illustrations.

1050. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 29, 1959, submitting a report, together with accompanying papers and illustrations, on a Great Lakes Harbors Study—Interim Report on Ashland Harbor, Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 165); to the Committee on Public Works and ordered to be printed with illustrations.

1051. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated January 14, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes Harbors Study—Interim Report on Lorain Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956. It is also submitted in final response to four other resolutions listed in the report (H. Doc. No. 166); to the Committee on Public Works and ordered to be printed with illustrations.

1052. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to validate the payment of family separation allowances to members of the uniformed services"; to the Committee on Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 7455. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. BALDWIN:

H.R. 7456. A bill to extend for 3 years the suspension of duty on imports of casein; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 7457. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 7458. A bill to prohibit the sale, distribution, and use of certain plastic bags in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BURKE of Kentucky:

H.R. 7459. A bill to amend section 207 of the National Housing Act to permit the dollar amount limitation applicable to mortgagees covering housing for elderly persons under the regular FHA rental housing program to be increased in high-cost areas; to the Committee on Banking and Currency.

By Mr. CARTER:

H.R. 7460. A bill making an appropriation for the conduct by the Surgeon General of a crash program of basic research into the cause and cure of cancer and other major diseases which remain incurable; to the Committee on Appropriations.

By Mr. CHENOWETH:

H.R. 7461. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. COHELAN:

H.R. 7462. A bill, to make permanent certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. DOWNING:

H.R. 7463. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. DURHAM (by request):

H.R. 7464. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. FASCELL:

H.R. 7465. A bill for the establishment of a Commission on Metropolitan Problems and Urban Development; to the Committee on Government Operations.

H.R. 7466. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1961; to the Committee on Government Operations.

By Mr. FOLEY:

H.R. 7467. A bill to amend the Public Contracts Act (the Walsh-Healey Act); to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 7468. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. HEMPHILL:

H.R. 7469. A bill to amend the Budget and Accounting Act, 1921, to provide for the retirement of the public debt; to limit the size of the Federal budget; and for other purposes; to the Committee on Government Operations.

By Mr. HUDDLESTON:

H.R. 7470. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 7471. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. KEARNS:

H.R. 7472. A bill to provide for the free entry of certain stained glass windows for use in St. Mark's Seminary, Erie, Pa.; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 7473. A bill to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes; to the Committee on Agriculture.

By Mr. POFF:

H.R. 7474. A bill granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 7475. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7476. A bill to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 7477. A bill to provide for the establishment of a National Wildlife Disease Laboratory; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Florida:

H.R. 7478. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Mississippi:

H.R. 7479. A bill to provide for the retirement of the public debt in amounts which reflect annual increases in the gross national product; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 7480. A bill to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALF:

H.R. 7481. A bill relating to the sale of certain minerals and metals acquired by the United States; to the Committee on Banking and Currency.

By Mr. DOWNING:

H. Con. Res. 190. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to enact legislation defining the waters originating on federally owned or controlled lands which contribute to flowing or moving surface or ground waters; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to repeal the Pittman Act (43 U.S.C. secs. 351–360) and to amend a section of the Desert Land Act (43 U.S.C. sec. 325) by eliminating the exception of the State of Nevada from the provision that no person shall be entitled to make entry on desert lands unless he be a resident of the State in which the land is located; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to aid the mining industry of Nevada and other sections of the United States either by imposing tariffs or by other reasonable and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to the role that the small family farmer and the small communities of our Nation have played and should continue to play in this, the great drama of America before God and man, in preserving and making steadfast our cherished way of life; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States, relative to requesting the executive and legislature departments of the Federal Government to issue the necessary administrative ruling or to pass the necessary legislation making poultry, egg, hog, and milk producers eligible for loans from the Small Business Administration; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to enact restrictive and remedial legislation that will afford protection to the people of the United States against such enemies of our Government as reflected by the threats of Hoffa and his hoodlums; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 7482. A bill for the relief of John Walter Humber; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 7483. A bill for the relief of Miss Allegra Azouz; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 7484. A bill for the relief of Daniel B. Fogle; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 7485. A bill for the relief of Serafin Estrada-Serna; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H.R. 7486. A bill for the relief of Panatalis Stamathioudakis and Anastasia Stamathioudakis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

203. The SPEAKER presented a petition of Adelede E. Pearse and others, Hatboro, Pa., petitioning consideration of their resolution with reference to requesting enactment of legislation which will grant us social security coverage in addition to, but separate from, the U.S. civil service retirement program, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Memorial Day 1959

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to deliver the following Memorial Day address at Fuoss Mills, near Tyrone, Pa., Philipsburg, State College, and Greenwood Cemetery, near Altoona, Pa.:

MEMORIAL DAY ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, MAY 30, 1959

Memorial Day is the most solemn and sacred of our patriotic holidays.

It is a day of reverence when Americans assemble all over this broad land to pay tribute to those who have fallen in battle or who have served their country in the Armed Forces of the United States.

There is no greater honor than to be asked to participate in rendering homage to our departed comrades who gave the last full measure of devotion to the cause of freedom.

We the living, owe them an everlasting debt of gratitude for it can never be repaid.

They died in advancing the ideals of liberty and freedom which are responsible for the spiritual and material blessings which all Americans enjoy.

On Memorial Day when springtime with blossoms and song arrives once more to spread her mantle over the good, green earth, the thoughts of the American people turn to the herioc past and to those who have left them the legacy of freedom.

This day of memory is a time for meditation when with humility and reverence we salute the heroes of our Nation's wars.

Memorial Day or Decoration Day as it is still called in some sections of our land contributed greatly to temper the bitterness of the Civil War.

It recalls the fact that the forces of the North and South fought for the cause they believed to be just.

It brings realization that through their blood was welded a union of States.

A union of States which has had the strength to survive all international storms and to emerge as a Republic, yes, a Republic that has become the most powerful and richest Nation in the history of civilization, with the result that today as a Nation we lead the free world.

It is appropriate to express our gratitude to divine providence for the blessings we enjoy as citizens of this great Republic.

All of us should be mindful of the fact that the United States of America was founded upon a spiritual base and that to a major degree it still today rests upon that base.

We are reminded that our ancestors fled the intolerance and oppression of Europe with its strict class distinctions.

They left the Old World in order that they and their descendents might have greater opportunity to carve out an existence without being deprived of the God-given rights of liberty and freedom.

Our Founding Fathers fashioned this Nation from a vast wilderness by toil and sacrifice.

In so doing, they yearned for freedom of religion and freedom of expression.

They were firm in their conviction that a government should be the servant of a people—not the master.

To perpetuate this concept of government in a span of 42 years we have engaged in two world wars and a third conflict in

Korea with a godless, communistic horde, bent upon world domination.

During this Memorial Day period we honor those who fell in defense of our ideals of liberty and freedom which we are eager to see prevail throughout the world as a living symbol of international justice.

As we salute our departed comrades we realize that not only did they do their duty but they added to the glorious tradition of our Armed Forces that commenced at Concord and continued over the years every time our national security has been threatened.

By their victories our military forces made it possible for the United States to become a world power and to shoulder great international responsibilities.

Many historians agree that the Spanish-American War gave to our country international prestige accompanied by international problems that projected our Nation into the arena of major powers.

Our entry into World War I was the result of the threat of militarism seeking to engulf the world.

We came to the aid of war-weary England, France, and Italy.

That great conflict brings to many the stirring memories of such historic battles as the Meuse-Argonne, St. Mihiel, and Belleau-Wood.

Yes, for the first time in World War I we fought in the Old World from whence our forefathers came.

Time marches on; many veterans of World War I have died and although their deeds have been recorded in history their memory lives, especially in the minds of those of us who were their comrades in 1917–18.

They, too, in the American tradition performed deeds of valor that have enshrined them in the hearts of all liberty-loving Americans.

Following the Armistice of 1918, in the short span of less than 25 years we found ourselves engaged in World War II, in a deathless struggle against militarism and fascism—in short—against those whose sole aim was world dictatorship.

In that Titanic struggle we recall among the many bloody conflicts the Bataan death march, Anzio Beachhead, Iwo Jima, Okinawa, and the Battle of the Bulge.

In the historic struggles that marked World War II, many veterans of the first World War returned to active military service as they joined the millions of younger servicemen and women who comprised the personnel of our armed forces on nearly 100 World War II battlefronts.

When victory in World War II was achieved it was the prayerful hope that at last peace would be restored to a weary and heartsick world.

Unfortunately, the goal of universal peace was not within our grasp because in the short period of four years American youths were following the stars and stripes in the rice-paddies of Korea in a struggle against the forces of world Communism.

We are all familiar with the heroism of American servicemen on Pork Chop Hill, Old Baldy, and Heartbreak Ridge.

Today those heroic dead in Korea join Americans who made the supreme sacrifice in the two world wars, for the whole earth is girdled with their graves.

We who fought with them shall never forget them and throughout our lives we will carry an imperishable memory of their devotion to our country's case.

A profound, heartfelt devotion to the memory of the defenders of this Republic is expressed in sincere, dignified ceremonies observed throughout the land on every Memorial Day.

In reality they are ceremonials that bind the dead to the living, and the living to the unborn.

Such observances contribute to the spiritual unity of our people.

Particularly this program today manifests the imperishable brotherhood of our countrymen that transcends race, religion, and status.

It is in a spirit of humility and gratitude that we stand shoulder to shoulder to salute across the years those Americans who brought deathless glory to our arms.

It is customary on Memorial Day to read—as it is always read at Gettysburg—site of one of the most decisive battles of all times—the immortal address of Abraham Lincoln.

Looking out over the graves of the heroic dead, the brooding Lincoln said ". . . That we here highly resolve—that these dead shall not have died in vain—that this Nation under God—shall have a new birth of freedom—and that the Government of the people—by the people—for the people—shall not perish from the earth."

In these trying days when world communism has thrust the cold war upon us, Americans—and all free men everywhere—would do well to ponder the noble words of Abraham Lincoln, which provide the best definition of a republic ever given—"a government of the people, by the people, for the people."

We may not realize it, but our conduct as a Nation in the cold war is the basis for a momentous new chapter of history that is being written.

The result is—that the quality of America and of the American people is being subjected to a more rigid test than we have ever witnessed.

The heavily armed, resourceful, and ruthless communist tyranny is aimed at destroying the foundations of our civilization.

In fact, the menace of communist aggression has cast a shadow of darkness over the whole earth, dimming our ray of hope—that universal peace can be achieved among the nations of the world.

For over 40 years the architects of the Communist conspiracy from Lenin to Khrushchev have openly boasted of their intention of destroying everything—including the United States—which stands in the way of bringing about—the complete dominance of Communist imperialism throughout the world.

To attain their diabolic objective they have made it crystal clear that they will employ every resource at their command.

A review of world events reveals that the masters of the Kremlin have been pursuing such a course with fanatical zeal and ruthless determination.

Lenin preached the dogma of "permanent revolution" against every non-Communist country.

Since they are dedicated to the cause of Lenin, in like manner, the Chinese Reds are committed to unrelenting efforts to subdue the world for communism.

Although the Communists speak of peaceful coexistence, they are guilty of double-talk, because they operate on the doctrine that there can be no lasting peace between communism and freedom—that the revolution must go on until one or the other perishes.

The permanent revolution advocated by Lenin is not only a reality, but it has many different forms.

One moment the Communists with honeyed words preach peace, while in the next breath they brandish their ballistic missiles and H-bombs in the hope of frightening and blackmailing free nations into a fatal compromise with tyranny.

The record shows that Communist leaders seek to keep the free world off balance and in a state of constant tension and turmoil in order to uncover any weaknesses which may exist.

They seek to create critical situations which they can profitably exploit by propaganda, infiltration, subversion, or the ultimate appeal to military force.

At this moment we have a dramatic example of the "crisis technique" in the situation prevailing in Berlin.

The Communists have stirred up the Berlin situation with the expectation of obtaining information regarding the military defense of the free world, and at the same time test our moral armament.

While the Berlin crisis may be viewed as a testing ground, military observers realize that it would be dangerous to underestimate or scoff at the seriousness of the Berlin problem.

This is painfully true because of our knowledge of Communist technique and that the chief stock in trade of the Soviets is that of deceit and treachery.

We know that the Soviet leadership is wholly without moral scruples.

We know that it is absolute in its authority and since it is answerable to no one—it is able to put into split-second operation any plan of action.

We know that it is dedicated solely to the advancement of the Communist dictatorship and will go to any extreme to achieve its goal.

We know, finally, that the Soviet leadership has at its command the largest mobilized armed forces on the face of the earth.

When all these factors are taken into consideration, it should become clearly evident to the most wishful thinker that any complacency or indifference on our part is a plain invitation to disaster.

While we must avoid being led astray by the Communist-manufactured crises, we cannot afford to become panicky.

To the contrary, we gain renewed confidence in the fact that our Armed Forces and those of over 40 allied nations stand shoulder to shoulder with us in defense of the free world.

Yes; a mighty host is arrayed on the side of right and justice.

On this Memorial Day it is incumbent upon us to guard against the Communist campaign to confuse, delude, and conquer.

For example, they make the baseless charge that the people of the United States are warmongers, while the Soviets yearn only for peace.

In short, we Americans are charged as being the main cause for continuing the cold war.

In this connection it is imperative that we as a nation zealously guard against any shortcomings of memory which might obscure the truth.

The record of the cold war speaks for itself and should be kept before us at all times.

Frankly, no amount of Kremlin double-talk can change the fact that every aggressive move in the cold war has been made by the Communists themselves.

Did they not, for example, incite civil war in Greece in 1946?

Did they not blockade West Berlin in 1948?

Were they not responsible for the invasion of South Korea in 1950 and the 3 bloody years of war which cost the lives of more than 33,600 Americans?

Did they not brutally crush with overwhelming military might the patriots of East Germany in 1953?

Did they not likewise crush Hungarian patriots in 1956 when they bravely arose against tyranny and sought to reestablish free government of their own choice?

Did they not bombard the Quemoys in 1958?

I ask in all sincerity, who persistently and maliciously meddles in Asia, Africa, and the Middle East in attempts to stir up unrest and to undermine young and struggling nationalist governments?

And I ask you, who makes a practice of wantonly shooting down unarmed aircraft in peacetime holding the citizens of other countries for ransom and violating every principle of fair dealing among nations?

Finally, everyone knows who at the present time is bluntly threatening open warfare in order to force the guardian troops out of West Berlin.

Ladies and gentlemen, in every case the accusing finger of truth points directly at Soviet Russia and Red China.

By way of contrast, the record of the United States reveals that it has never coerced nor attempted to dominate any peaceful nation but has respected the integrity of all and sought to uphold it.

We as a Nation have sat down with the Communists at numerous conferences in a patient effort to explore all avenues leading to a just and lasting peace.

We have sought to reunify divided Germany, Korea, and Viet Nam on honorable terms.

We have taken the lead in the "atoms for peace" program and advocated a comprehensive system for the limitation and control of armaments together with any effective system of international military inspection which would prevent surprise attack by any aggressor.

All in all, our efforts with the other free nations of the world to negotiate with the Communists have been fruitless.

In addition, we have learned the bitter lesson that the Kremlin regime lives by the frankly stated philosophy that "promises are like pie crusts—made to be broken."

We have always regarded international agreements as sacred.

The Communists on the contrary regard such covenants as mere scraps of paper which may be thrown into the wastebasket when it suits their pleasure or convenience.

In trying to achieve the goal of universal peace, it is a significant and deplorable fact that Russia as a government lacks national integrity as evidenced by her long record of broken promises.

Ladies and gentlemen, on this Memorial Day of 1959 the need for national unity must rise above partisan politics—for every American must stand shoulder to shoulder—to let the Red rulers and the World know we are standing firmly against Communist agression that has plagued the world for 40 years.

By standing united not only can we resist Communist designs for world conquest, but we will uphold the cherished principles of liberty and freedom for which millions of Americans made the supreme sacrifice.

We dare not do less.

Although we earnestly seek peace, we cannot afford to merely dream about it—not in this day of coldly calculated unfriendliness.

We should keep in mind that those who died fighting for our country in time of war were realists.

They faced facts bravely when they plunged into battle—and certainly they would not have us falter today.

So it is in tribute to them that we translate our debt of gratitude into terms of practical thinking and positive action.

On Memorial Day we fulfill three obligations:

We strengthen our appreciation of the men whose sacrifices made secure, in large measure, the freedoms we have inherited.

We pay tribute to those men through our spoken word, our floral tokens, and our prayers.

Furthermore, we reaffirm our courage and determination to carry on our defense of the cause for which they fought.

Finally, we declare again that our honored dead shall never be forgotten.

And we quote these words from Theodore O'Hara's "Bivouac of the Dead":

Nor shall your story be forgot,
While fame her record keeps,
Or honor points the hallowed spot
Where valor proudly sleeps.

Address by Hon. Stuart Symington, of Missouri, at Annual Dinner of Chamber of Commerce of Winston-Salem, N.C.

EXTENSION OF REMARKS

OF

HON. SAM J. ERVIN, JR.

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 1, 1959

Mr. ERVIN. Mr. President, on May 21, 1959, the able and distinguished junior Senator from Missouri [Mr. SYMINGTON] made a notable address at the annual dinner of the Chamber of Commerce of Winston-Salem, N.C.

I ask unanimous consent that the address be printed in the RECORD.

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

ADDRESS BY SENATOR STUART SYMINGTON AT THE ANNUAL DINNER, CHAMBER OF COMMERCE, WINSTON-SALEM, N.C., MAY 21, 1959

It is a great pleasure to be with you in Winston-Salem tonight.

I am glad to be with that nationally known statesman, a great businessman before he became a great Governor, my friend Luther Hodges.

It is my privilege to serve on the Senate Armed Services Committee with your senior Senator SAM ERVIN—and on the Senate Agriculture Committee with Senator EVERETT JORDAN.

Together, these two able and dedicated public servants give North Carolina a representation second to no State in the Union.

May I also pay my respects and my tribute to your able Congressman RALPH SCOTT.

In a way, coming here is like going home, because there is so much similarity between North Carolina and my own State of Missouri.

Many Missouri families came from North Carolina, crossing the Alleghenies to the Middle West.

Some of our towns were given your names. Winston, in Daviess County; and Salem, in Dent County in the Ozarks.

Your great chamber of commerce has as its goal the commercial, physical and social betterment of this outstanding city; and you all can be mighty proud of what has already taken place.

Through tobacco, textile, banking and other interests, you are now a leader of the industrial Southeast.

Through Salem College, Teachers College, and Wake Forest, you have pioneered in the educational development of that greatest of all our national resources—the youth of America.

Although it still retains its southern charm, Winston-Salem has now entered the age of space.

Restoration of the homes of Old Salem runs parallel with work at Western Electric on the guidance systems for Titan missiles.

The growth of Winston-Salem is well illustrated by lines from the Greek poet Alcaeus: "Not houses finely roofed or the stones of walls well-builded, nay nor canals and dockyards, make the city; but men able to use their opportunity."

And when we speak of civic-minded men, all of us think of that superb American, your former President Robert Hanes, whose death was a serious loss to North Carolina and America.

Although known better nationally as a banker, Bob Hanes was an able businessman. His entire life was dedicated to the public good and built around the importance of sound management as the best road to progress.

It is the management of our Government that I propose to talk briefly about tonight.

There are few subjects more important to me as a legislator and former businessman than the amount of money the Federal Government spends—and, at least equal in importance, how that money is spent.

We hear much debate these days about whether our Government should spend more or less.

But I do not believe enough attention is being paid to the way this money is being used.

All of us here are opposed to waste.

With about 18 percent of our national income now going to Federal taxes, the people have every right to demand that their money be expended with wisdom, under principles of sound management.

When the operation of any business becomes infected with waste, that business does not prosper.

The same is true of Government.

May I present a few illustrations of what has developed in recent years.

This analysis is not political. Many of the practices which worry businessmen today have existed for some time.

It is not political doctrines, or a particular political party, which produce waste.

It is the gradual accretion of shoddy practices by a Government grown too complex to check itself.

In today's Federal Establishment, there are now 104 agencies which either lend money or insure investments.

There are 26 departments and agencies engaged in health services.

There are 29 engaged in research and development.

Surely we all realize the unnecessary overhead expense involved in such duplication of functions.

It is growing all the time—like a jungle in the monsoons.

To be more specific: If we look at the President's budget for fiscal 1960, we see that more than 5 of every 10 tax dollars are scheduled to be spent by the Defense Department.

Large expenditures for security have been with us for many number of years; and will remain with us as long as strength is the price of freedom.

Partially because it handles so much of our money, the Department of Defense can claim the questionable distinction of being the greatest source of waste in the Federal Government.

I say partially, because every informed person knows that the unwillingness to reorganize our Defense Department on the basis of progress—our willingness to let it continue to drift in tradition—is costing the American taxpayer billions of dollars each year.

In addition, unbusinesslike procurement causes heavy unnecessary expense.

As example, a contract was awarded to an aircraft company whose existing plant capacity could produce approximately three times as many of the planes in question as was the maximum schedule.

But the administration put a ceiling on expenditures for these bombers, a ceiling tailored to a previously decided upon budget figure.

In order to keep down the amount of money spent on these planes in any one year, the Defense Department decided not to buy on a volume basis; and spread the program out.

As a result, the Government paid millions of dollars more for each of these planes than it would have paid if the program had been scheduled for completion in a shorter period of time.

This one action on this one plane cost American taxpayers over a billion dollars more for the same number of bombers.

Similar illustrations are in the planned programs for some of our missiles.

By purchasing missiles at a rate which utilizes but half of the plant capacity of the producer, the cost per missile is far greater than necessary.

It is a fact that the present organization of our defense structure in itself compounds waste.

Why do we have six separate Air Forces?

Why do we have four independent procurement contracting agencies?

All of these compete for personnel, for private contracting facilities, for scientists and engineers.

In the case of the latter, the competition at times is almost unbelievably expensive.

Out of this comes the duplication of personnel, the duplication of administrative staff, the duplication of office space, the duplication of paperwork, the duplication of general overhead, and all the thousands of other duplications which every businessman knows come in once the gates are opened.

This waste is more than a loss in money.

It presents a serious loss in security.

In this nuclear-space age, time is of the essence; and if we are attacked, under the present setup our capacity to retaliate quickly would be seriously affected.

Let us look now at the farm program.

That program is now 8 percent of the total Federal budget.

For some years, I have been a member of the Senate Agriculture Committee.

Since the present Secretary took office, and including estimates for the coming fiscal year, total spending of the Department of Agriculture amounts to $34.9 billion.

That is more money than was spent by all previous Secretaries of Agriculture since the Department of Agriculture was created.

In 6 years, the administrative cost of the price-support program has increased tenfold—from $34.6 million in 1952, to $364.9 million in 1958.

In these 6 years, Agriculture Department personnel has increased from 66,000 to 84,000.

The value of the Government investment in farm inventory is now $9 billion. It is growing daily.

Any businessman knows the grave dangers inherent to excessive inventory.

As but one illustration, let us take corn.

In 1956, the Government spent $179 million to reduce corn production through the soil bank.

But corn production increased 224 million bushels.

Nevertheless, this year the Government has recommended and obtained approval for a new corn program which not only removes all controls, but actually raises the price support.

And this is true despite the fact you and I already own a $3 billion inventory of corn and other feed grains.

It is totally unnecessary to have such an expensive and ineffective farm program—and the current tobacco program proves that to be true.

At least as much as any other commodity group, the tobacco industry has displayed the unity and discipline necessary for a sound program.

The tobacco industry keeps its production in line, refuses to compromise its quality, and reacts flexibly to changing conditions.

The result has been what everyone interested in farm legislation dreams about—a workable program at little expense to the taxpayers.

Only last Friday, under the able leadership of your distinguished Senator, EVERETT JORDAN, the Senate Agriculture Committee approved a tobacco bill which was supported by the tobacco industry. And just this afternoon, under the leadership of Senator JORDAN, the Senate approved the bill.

The industry voluntarily asked that the price of tobacco be stabilized at a point which would not cause loss of export markets.

This type of leadership is a powerful answer to those who believe the farmer should receive no support from a Government which heavily supports other segments of the economy.

A final illustration of unbusinesslike management: Our Government is not collecting the taxes it could collect.

Only a few weeks ago, the Commissioner of Internal Revenue estimated that each year $25 to $26 billion of taxable income is going unreported.

This is a tax avoidance on a massive scale; and if we could stop only part of it, we could obtain billions more in revenue without any tax increases.

The Internal Revenue Service is complaining that today it does not have enough people to see that each return is added up right; and states that each new enforcement agent brought in in turn brings in additional tax revenue from 10 to 15 times his salary.

Is it not logical to spend $1 in order to obtain $10 to $15? Wasteful revenue collection would seem as unfortunate as wasteful spending.

Waste should not be taken for granted in Government any more than it should be taken for granted in private business.

Government, too, must use sound accounting principles under good business management.

Today our country faces the greatest challenge in its history.

With our free enterprise system, under our representative form of government, I have full confidence we can meet that challenge.

Such success will not be automatic. We must work at it.

Through hard work and wise leadership in the past, we have built the most secure and prosperous nation in history.

With earnest effort and wise management we can continue to lead the world as its No. 1 nation, toward a just and lasting peace.

Placing of Trophy in Memorial Amphitheater at Arlington National Cemetery

EXTENSION OF REMARKS

OF

HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. CANFIELD. Mr. Speaker, on Memorial Day a trophy from mothers whose sons were killed in the Nation's wars was placed in the Memorial Amphitheater at Arlington National Cemetery.

The tribute to the Unknown Soldiers was conceived and designed by Mrs. Mabel C. Troy, national president of the American Gold Star Mothers and a resident of my home city, Paterson, N.J.

The original sketches of the trophy were made by Mrs. Troy with the insignia of the American Gold Star Mothers being used as the basis of her design. The trophy is in the form of a plaque.

The idea for such a tribute occurred to Mrs. Troy during last year's Veterans' Day ceremonies in the white marble amphitheater behind the Tombs of the Unknown Soldiers. She noticed that among all the tributes displayed there was none from the mothers to America's Unknown Soldiers.

Saturday afternoon's presentation was made possible by the cooperation of Lt. Col. John J. Flynn, chief of the cemetery branch, Memorial Division, Department of the Army; John G. Metzler, superintendent of the cemetery; Frank Lockwood, assistant superintendent, and Gen. John G. Van Houten, commanding general of the military district of Washington.

I commend Mrs. Troy for her thoughtfuness in reminding us that there are some things which cannot and should not be forgotten. She was truly performing her function as president of the American Gold Star Mothers.

Statement by Congressman Victor L. Anfuso on Cooperation With Russia in Outer Space Exploration

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. ANFUSO. Mr. Speaker, I regret the recent misunderstanding between the chairman of the House Committee on Science and Astronautics, the Honorable OVERTON BROOKS, and myself. This misunderstanding should have never arisen between us. I feel sure it was all clarified satisfactorily in my personal talks with Mr. BROOKS on Thursday, May 28.

I have the highest regard for Mr. BROOKS and respect his judgment. He is doing a grand job as chairman of the full committee and I am most anxious to cooperate with him in every way. The chairman has allowed me to explore the matter further and to consult with our congressional leaders, as well as with the Department of State.

This whole matter raises the very important issue of the separation of powers between the legislative and executive branches of Government.

On my part as a legislator, I do not quarrel with the point of view that it is up to the administration to negotiate agreements, treaties, and so forth, between the United States and other countries. There can be no quarrel also that it is the duty of Congress to establish by legislation how far the administration can go in this field, and it is part of this duty to learn the facts. As a study and fact-finding body, the Legislature has the duty to inquire from administration witnesses and to travel within the continental limits of the United States and in foreign countries. Committees of the Congress do have the power to hold hearings anywhere within the United States, but not in foreign countries.

Having defined our respective duties, now let us examine the particular functions of the House Space Committee and particularly those of the International Cooperation and Security Subcommittee.

By House resolution, the committee has been given jurisdiction over the exploration and control of outer space. Both Congress and the President have approved the policy of limiting outer space to peaceful purposes. The dedication of outer space to peaceful purposes is essential, if mankind is to survive. It is the purpose of the Subcommittee on International Cooperation and Security to seek ways and means whereby the United States can cooperate with other nations in the peaceful uses of outer space. Such cooperation must necessarily include the Soviet Union. I firmly believe that the United States must take the lead in developing a peaceful and productive international space program.

Under this jurisdiction, the members of the House Space Committee have the right to go to Russia, if permitted of course by the Soviet Union, and to all other countries where international conferences or studies are in progress, in order to familiarize themselves with the programs and activities of those countries in the field of exploration of outer space and to examine communications and tracking stations involving international traffic in space.

Under this same jurisdiction, we have the right and the duty to learn for ourselves whether there is room for cooperation between the United States and the Soviet Union and other countries in the peaceful uses of outer space. In this atomic and space era we cannot approach world problems with 18th or 19th century philosophy. The question of finding ways and means of preserving the peace is not limited to any individual or any single branch of Government. Congress has its responsibility, too.

Speaking for myself—and I believe this to be true throughout the United States—the people of my district are worried about a world conflict and they expect me to do everything within my power to assist and work together with the State Department and any other branch of Government in this quest for peace and international cooperation.

To be more specific, the ad hoc committee of the United Nations, to which I have the honor to be an alternate delegate, was specifically formed to bring in all the countries of the world in one combined effort to explore what peaceful uses can be made of outer space and to explore the field of international communications, weather forecasting and control, and so forth. Thus far the Soviet Union, Czechoslovakia, and Poland, as well as India and the United Arab Republic, have refused to participate in this noble venture. This leaves a tremendous vacuum and a huge geographical area which remains uncovered for the proper and more extensive exploration of outer space. It will present insurmountable difficulties for the future and will leave the problem incompletely solved.

Does anyone deny that it is necessary to have Russian cooperation in the peaceful exploration of outer space? Does anyone contest the fact that she is still the only nation, outside of the United States, which has taken the giant step to space flight? Does anyone deny that Russia did cooperate in, and did make valuable contributions to, the International Geophysical Year?

The United States and Russia have the power of bringing about total destruction of the earth itself. Therefore, in the interest of peace, it is the duty of everyone to do everything humanly possibly to obtain Russian cooperation and avoid a world catastrophe. If after exercising these efforts and leaving no stone unturned the Soviet Union still refuses to cooperate, she must then be exposed to world censure.

There is still much division in many parts of the world as to who really wants peace—the United States or the Soviet Union. This division must be narrowed, and I hope on our side. When this is achieved, the danger of war will be materially reduced.

The Remarkable Achievements of the Credit Union Movement

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. DENT. Mr. Speaker, I cannot let this opportunity pass without rising to express the gratitude and appreciation of Pennyslvania's 575,000 credit union members, for the benefits derived from the passage of the Federal Credit Union Act of 1934, and the continued interest and support of the Members of Congress. The 25 years of credit union history which are culminating in this quarter-century celebration, reflect the confidence of millions of families in a truly democratic institution. The history of the growth of credit unions in the United States and the rest of the world is worthy of note.

In the United States today there are more than 19,000 credit unions serving the credit needs of American families and teaching them the advantages of systematic savings. In 1947 there were only 7 credit unions organized outside of the United States and Canada; in 1957 there were more than 5,000 in countries located throughout the world.

There are more than 1,000—1,116—credit unions in my State of Pensylvania, serving over half a million members and their families. Nine hundred and forty-nine of these organizations are chartered under the Federal Credit Union Act, the remainder are chartered by the State. These small financial organizations, State and federally chartered, have been serving the financial needs of an estimated 23 percent of the population of Pennsylvania. Any institution which serves one-fourth of the population of a State through the cooperative efforts of its membership must indeed have much to offer. It must also enjoy the full trust that only an efficiently organized and managed institution can command.

Credit unions do have much to offer:

They help millions of individuals to establish regular saving habits.

They are available to, and operated by, people from every walk of life—governments, communities, churches, schools, manufacturing, retailing—and numerous other occupations.

They provide small loans for provident and productive purposes such as family emergencies, home repairs, purchases of consumer goods, at a cost of 1 percent or less.

They pay dividends on savings invested, that is a member's share balance, at a rate of 3 to 4 percent annually.

Their assets can be used only to make loans to members or to invest in Government securities, they are operated by the members for the members.

The following record of achievement will attest to the fact that credit unions enjoy membership confidence in the efficiency of their management:

In 1957, they held more than 17 percent of all personal loans outstanding.

They currently have assets in excess of $4 billion—almost 7 times larger than a decade ago—Pennsylvania alone has $192 million in credit union assets.

They have a total membership in the United States of more than 10 million, 3 times the 1947 membership.

Members' shares totaled $3.6 billion in 1957—Pennsylvania credit union members have deposited shares of $168.1 million.

There are 19,166 individual credit unions located throughout the United States. There were only 2,000 prior to the passage of the Federal Credit Union Act of 1934.

They are among the most numerous consumer-lenders in the United States.

Few organizations can point to a more impressive list of accomplishments.

I have a very deep conviction that freedom of economic opportunity can best be achieved if all available safeguards are made available to the workingman—the little man. The history of the credit union movement more than convinces me that my conviction is a valid one. Since the first credit union law was passed in Massachusetts, 50 years ago, credit unions have been growing in financial and numerical strength. Credit union members have been able to turn their backs on the loan sharks in times of adversity. Funds have been forthcoming from their own cooperative—the credit union. The only guarantees needed to receive a loan are personal integrity and approved membership.

Similarly, credit union members have not had to turn to unscrupulous installment finance companies to secure funds with which to acquire goods and services to assist in achieving an ever-rising higher standard of living. A recent article in Fortune magazine—May 1959—notes that the traditional class concepts which use "a neatly layered social pyramid" are today no more than a source of confusion:

> The basic reason for the increased confusion about class in the United States is the steady growth in the number of Americans who can afford at least some of the amenities once associated with the highest positions in our society.

Credit unions have contributed a fair share to the rising standard of living for

millions of American families. We have always been a nation rich in credit resources. However, we have never been rich in credit resources for the little fellow. Credit unions have filled the gap between the readily available credit for the wealthy, well established, and the loan shark's high-cost credit. These self-help organizations have solved both savings and credit problems for blue-collar and white-collar workers and many others who otherwise would have been unable to purchase consumer durable goods, or who would have had to pay double the cost through those lenders who profit from high-risk, high-interest, credit transactions.

The impact of these self-help institutions on both the social and economic well-being of this country, and the general welfare of American families cannot be too highly praised. They are the exemplification of the American ideals of equality of man, freedom of opportunity, and unselfish cooperation.

I join the Credit Union National Association in its confidence in the future—quoted from an anniversary brochure:

A better way of life is promised for more people around the earth, as the credit union movement continues to grow. Credit unions are more needed today than ever before.

Address by Hon. Gordon Allott, of Colorado, Before Episcopal Diocesan Convention, Denver, Colo.

EXTENSION OF REMARKS

OF

HON. BARRY GOLDWATER

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, June 1, 1959

Mr. GOLDWATER. Mr. President, on the occasion of the Episcopal diocesan convention at Denver, Colo., on May 6, the distinguished senior Senator from Colorado [Mr. ALLOTT] delivered the banquet address. The remarks of the Senator from Colorado on our religious heritage are especially significant in these days of uncertainty. I compliment him on his insight and understanding of our spiritual need.

Mr. President, I ask unanimous consent that the text of the address delivered by the Senator from Colorado be printed in the RECORD.

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

ADDRESS BY SENATOR GORDON ALLOTT BEFORE EPISCOPAL DIOCESAN CONVENTION, DENVER, COLO., MAY 6, 1959

All of you at this moment are probably thinking of one or two things. First, how can I best settle myself to endure the next half-hour with the least discomfort; or, second, what is this politician going to say for this time and occasion that will be of interest to me? For those in the first category, I can promise little, because life is, for them, essentially a passage of time and the best and easiest way through it is to tranquilize themselves. To the second group, I would say that it is my intention to avoid, out of deference to the occasion, the thicket of partisan politics. Yet, I intend to invade just a little the theologian's field and, in that, too, they will have their own reward by reason of this invasion of a field which more rightfully is theirs.

The old fashioned tithing man of our Puritan ancestors might well be the subject of this speech. You will recall he stalked the church with a long rod with a knob on the end of it, and soundly rapped those over the head who nodded during the course of a sermon which went to 2 or 3 hours. The first group I mentioned have a better way of doing this. No closed eyes or nodding head marks their semiconscious state. After years of practice, they have learned to go through anything—Board meetings, church speeches, luncheons—with eyes wide open, giving all the outward appearances of being awake while they have long since lapsed into a mental world of nothingness. It is their defense against boredom. Spiritually, too many of us are doing the same thing.

The tithing man has long since gone the way of the lamplighter and the surrey, along with the precentor who lined out the hymns. Yet, Sunday after Sunday, our priests, over and over again, try to perform spiritually the functions of the tithing man in the hearts and minds of the people of their parishes throughout our country. Every human ingenuity has been utilized by them to awake their parishioners to the living, vibrant qualities of the Christian religion and, somehow or other, to pull them out of this deep lethargy into which they have fallen.

On the one hand, we point to the great numbers of churches being built day after day in each community, the greatly increased attendance at each of these churches, the higher percentage of people attending churches than ever before. On the other hand, we see the gradual deterioration of respect for our institutions, our beliefs, our laws, and our courts. We see the specter of young mobs running our cities. The disclosures of the McClellan committee, after a period of 2 years, encompassing every known crime, now hardly causes a ripple of moral indignation among us.

At the same time, we see abroad, and throughout the world, a new religion—a vibrant one, communism—thrust out its jaws to gulp down one country after another. For, make no mistake, though it may not have a God, or Gods, it is a religion. It repudiates the ancient religion and calls them, as Marx called them, "The opium of the people."

Communism is a faith, a burning faith, which develops with amazing speed many of the structural outlines of a church. Its faith proclaims the arrival of man here and now, and his conquests and achievements over the material things of life, these being poverty, ignorance, and evil (as defined by them), and, with it, man's entrance into paradise. In its churchlike structure, it has its revelers and prophets in Marx and Lenin. It has its orthodoxy, its heresy, its martyrs, and its apostates. It also has its holy office, its initiation rights, and its consecrated burial grounds. It certainly has its missionaries and its hierarchies. The only thing it lacks to compare it with a religion today is divinities.

In such a paradoxical world as this, just where does our religion fit?

Most of the men who designed the Government of the United States—many of them were in their thirties—were a talented and influential group of joiners. They were joiners in the sense, not that they belonged to any band or group, but rather that they were the kind of working joiners who sought perfection through an integrated wholeness. These young American giants knew how to put men and ideas together. They connected spiritual beliefs to political action. They saw no walls separating science, philosophy, religion, or art.

Never before in the history of the world, and perhaps never again, will such a group of complete idealists associate themselves in such a work of complete reality. To them, it was unnatural for a man to fail to develop anything inside of him capable of growth. Man's rights were not limited to the political. His natural rights had something to do with his place in the world and the stretching power of his own spirit and talent. The end of government, therefore, was to translate freedom into creative growth. The government that understood this was a wise one and the whole men it helped to develop were fitted to understand the difficult business of operating a complex society. It conferred, in political terms, human dignity for the first time upon each and every man within this country.

To place all this in its proper context, it must be remembered that the constitutional freedoms of Americans are not the exclusive result of the reaction against the tyrannies in England and Europe which American settlers left behind. There was hardly a form of persecution known in the Old World which had not been transplanted to the New. The Bill of Rights came into being not so much as a reaction to the oppressions in Europe as a specific means for preventing the human indignity and the abuses of the kind of freedom experienced here in colonial America.

These young founders did not overlook European history. If anything, they took into account all of their common historical experience and they did not have to look very far for big and bold examples of persecution and denial of human freedom. These abuses existed all about them. Especially was this true in the field of religion. After utilizing the time-tested philosophy of Christendom, blending with it the hope of Hebrew prophecy, the sanity of the Roman law, and the resort to legal action guaranteed by the common law, they emphasized a new kind of philosophy called the common good. This is not the mere good of the state; it is more generous of the mere good of the individual. It is both personal and public, being not individual on one hand nor merely political on the other. It is what the scholastic philosophers of Christendom and the Founding Fathers of America sought for this common good.

As a result, it becomes impossible to examine the history of our country for its first 150 years without coming into constant references to the debt and obligation we owe to our Creator for the creation and preservation of our country.

Washington said, "No people can be bound to acknowledge and adore the invisible hand, which conducts the affairs of men, more than the people of the United States. Every step, by which they have advanced to the character of an independent Nation, seems to have been distinguished by some token of providential agency." This, then, is the first great tenet of our country: Faith in a deity.

The second one must be a response to realism. Our great believers in God have not been fatalists. They have not said, "Let the Lord do it." On the contrary. They have been men like Moses, St. Paul, Mohammed, St. Francis, Martin Luther, Ignatius Loyola, George Washington, Thomas Jefferson, William E. Gladstone, Stonewall Jackson, and Abraham Lincoln. All of these great figures in religion, in war, and in statecraft have been realists.

If we are to accept our own position of leadership in the world—a leadership, a position not desired by the American people in the sense that it has been thrust upon us—we also must be realists. We have been realists in actual war. What we have so far failed to accept is the fact that cold war is not peace, but war itself, and that it is being

fought upon a broad field of basic religions. The new religion, communism, competes with all of the ancient religions of the world.

I speak of America's leadership in this world because, by virtue of the gifts that the Lord has given us, we have assumed that leadership. But political leadership is what we in America make it. Real leadership does not rest in an individual in the name of the Presidency, nor in the individual members of the Supreme Court, nor in the individual Members of its Congress. It is what the people make it—it is what the people wish—it is what they want, and this is what it will be.

The political patterns of our country, the political patterns of the world, will always yield to the pressure of the people who constitute the countries of the world, if they are vigorously exerted. I speak primarily of America's responsibility, because our present position of leadership throws upon us the responsibility of the direction of the world of the future.

In our long, tortuous, tedious search for peace since the commencement of the cold war, we have almost entirely overlooked the power of the individual human being to create peace. Imagine, for a moment, what would happen in this world if all of the people of all faiths lived up to their faiths and their philosophies for even a short few weeks. Conceive, if you can, of the pressure that would be put upon statesmen, generals—yes, and even upon Communist leaders—for a real peace. Think what could be done if these human demands were backed with earnest prayers of all freedom and peace-loving human beings for divine strength to assure peace in the world—even though we grant that these might not be the same God in each case.

Earlier this spring, I thought of introducing a resolution in the U.S. Senate to propose the idea of a summit meeting of the religions of the world, and to request our President to take a leading role in bringing about such a meeting. I must say that it was a frustrating task to approach this proposal. In my discussions with leaders of our church and others, I heard anew all of the reasons that the religions of the world could not join together in such an undertaking. I heard again of the political differences, of the variances in their tenets and in their creeds, the relationship in the various churches in the various states of the world. I heard, too, of the problems that the State Department could foresee in the possibility of this group or that group seizing control of such a meeting and using it selfishly.

I still believe that there is a great need in our age for such a meeting. Perhaps it will have to come from people like ourselves assembled here, seeking to do the ways of God as we see them, and seeking to put into effect, on a world scale, the creation of a world in which each human being may walk the world with full human dignity and grace as one of God's children. As against this, I see a world in which material success and material well-being is the sole guidepost; and subservience to the state the only intellectual criteria; and where the moral good and the human dignity of man is subjugated to the material well-being of the state.

So far, I have avoided saying what must need be said here at this time. That is whether or not, in this country, our materialism has not so far exceeded our sense of spiritual values that we are in danger ourselves of becoming a materialistic democracy.

Are we guided more by so-called economic rights than personal ones?

In the 15 years since the end of the last World War, we have been more generous, both to other nations who are our allies and to those whom we defeated than any other nation has been on the face of this earth. And, like bewildered children, we ask, "Why do these people not love us, for whom we have done so much?" You have heard: "We cannot buy friendship in the world, and the last few years are the proof of it." You have heard these, and a hundred similar sayings, all growing out of the frustration of our inability to cope with the great Communist drives of the past year.

In my sessions with the members of the congresses and parliaments of some 51 countries, in the Interparliamentary Union first at Bangkok and then in London, I have had similar questions posed to me by the representatives of many parliaments. They are convinced of our productiveness; they are convinced of our wealth; they are convinced that we have more automobiles, more bathtubs, more TV's, more radios, more of everything than any other nation in the world. But they are not convinced that the great moral fiber and strength which created this country out of an adversity, and which maintained it through a Civil War and through World War I and World War II, is still here.

Many of these leaders have said this to me, not only in effect but in these exact words, "What is the difference between the materialistic philosophy of your country today and the philosophy of the Russians?" This is a hard question to answer, particularly when we must face the fact that in the 100 years which have elapsed since the Civil War, we have still failed to basically solve the racial problems of our country.

We can say that all men are created free and equal, but how do we convince three-fourths of the world who are not members of the white race that we mean it, when we can not show that in this country all men have the right even to vote equally? When we add to the fires of skepticism a few examples of Faubus, Little Rock, and lynchings, we need little more fuel to start a fire which consumes in the minds of other peoples all of the remainder of the great moral fiber, strength, and equality which we believe to be ours.

Jesus spoke at Nazareth and said, "The spirit of the Lord is upon me because he hath annointed me to preach good news to the poor; to proclaim release to the captives; to set at liberty those who are oppressed." In doing this, he challenged his own people to apply their religious faith to human relationships. He knew that religion without practical application and without ethical concern is mere superstition.

Here, then, we reach the heart of the American problem. The problem lies not in our economic progress, or our scientific progress, or our advances in these fields. It lies not in sputnik, nor yet in Atlases or Titans, nor in other missiles. It does not lie in the field of nuclear energy. All of these things we can cope with, all of these things we can do and will learn to do as fast as any other nation in the world learns to do them. But in simply doing these things and proving to the rest of the world that we can do them as well or better, or have more of them, we cannot convince the world of our leadership. The Russians will promise the world these things also.

To the man who has never had his stomach full, who has never known the uncomfortable feeling of having eaten too much, political ideology is meaningless. And so, the Russians' promises of full stomachs and a better life are as good as ours, and, unfortunately, we are associated in the minds of many of the newly formed, undeclared countries in the world with colonialism—a colonialism which was exerted primarily by the Caucasian race. If we were to place ourselves in the same position of some of these people, who for several hundred years have been under the bonds of an unenlightened colonialism, we, too, would look askance at the friends and the allies of those from whom we had recently broken these same bonds of colonialism.

Aside from the beliefs of our church, and as Americans, if we believe in anything we must believe in the essential dignity of the human being. And this is the fact with which we must face the world, and with which, ultimately, we will win our cold war: not by science, not by production, not by missiles, but by convincing the rest of the world that we do have a deep religious faith which makes each man upon the face of the earth a peculiar and particular product and concern of God. With it, we must believe that it is the desire of each and every human being upon the face of the earth to have the same dignity, the same freedom from oppression and from slavery.

This is what we have overlooked in this country, and this is why so many of the nations stand askance at this time, and succumb to the blandishments of the Russians. The heart of our own shortcomings lies in the fact that, somehow or other, we have failed to keep in our everyday life and in our normal outlook in this country the basic quality and fiber of the precepts which established our country.

We need—not a literal—but a figurative tithing man to awake us to the fact that our religion, whether it be Hebrew or Christian, is a daily part of our lives—and that it must become an active part of our national life, if we are to convince the other countries of the world that we are indeed their friends. We need it as a daily part of our lives so that these outstanding examples of injustice and lack of freedom in our own country will not be a glaring defect to which the Communists may point each and every time we are less than we should be as Christians.

This is the real task. A single misstep can set us back years. The world is looking for real moral leadership. We can supply it, with the spiritual strength of each of us. The sum total of this spiritual force of 170 million Americans is a force that will not be denied—if the temptation to compromise it away to material values does not become overwhelming. This is our job. This is our challenge.

Critical Lag in Oceanographic Research

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, June 1, 1959

Mr. MONRONEY. Mr. President, a most interesting story began to unfold before the American people yesterday in the columns of Hearst newspapers across the Nation.

Chairman WARREN G. MAGNUSON, of the Senate Interstate and Foreign Commerce Committee, undertook, at the request of Dave Sentner, chief, Hearst Headline Service Bureau in Washington, D.C., to report factually, fully, and most interestingly, how our Nation lags in the vital field of oceanographic research.

Both Chairman MAGNUSON and the Hearst newspapers are to be commended for this well-written series of articles, published in the public interest.

I ask unanimous consent that the article, taken from the New York Journal-American of Sunday, May 31, 1959, be printed in the RECORD.

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

SENATOR WARREN MAGNUSON WRITES: "AND NOW WE'RE LOSING THE WAR OF OCEANS"

(While America looks into space, says a leading U.S. Senator, we're losing a war with Russia right on our shores. In the following article Senator WARREN G. MAGNUSON tells why, and what he thinks must be done about it. Senator MAGNUSON, Democrat of Washington, is chairman of the Senate Committee on Interstate and Foreign Commerce and a member of the Committee on Aeronautical and Space Sciences.)

(By Senator WARREN G. MAGNUSON)

Soviet Russia is winning the struggle for the oceans.

Scientists call it the wet war, and say the outcome can determine the fate of nations and the human race.

Without firing a missile, a rocket or a gun, Soviet Russia has been winning in the Atlantic, the Pacific and the Antarctic. This year she is invading the Indian Ocean.

Had it not been for the stubborn persistence of wiry little Adm. Hyman Rickover, father of the atomic submarine, Russia also would be winning in the Arctic, where she has bases 2,200 miles from Seattle and within 3,550 miles of Detroit and Chicago.

Russia has been winning the wet war with more and bigger ships; more, if not better, scientists; more, and in some instances superior, equipment, and more aggressive government encouragement and action.

The United States cannot permit Russia to achieve a global conquest that would give her control of 95 percent of the earth's surface. We must meet Russia's challenge. We can meet it without sacrificing a drop of American blood if we start now, but if we wait for tomorrow it may be too late.

Soviet Russia has between 450 and 500 submarines and a capacity to build 100 more each year; the United States has 109.

Soviet Russia has 29 icebreakers, the world's biggest and heaviest, and is building more including an atomic icebreaker almost completed. The United States has eight.

Soviet Russia has the world's largest oceanographic research fleet with four times as many ships capable of deep sea work than we have. Her ships are modern, new; ours old and obsolete.

The Soviet is conducting intensive offshore explorations for oil beneath its continental shelves, and minerals research in all oceans. Three hundred miles off Lower California Soviet scientists have taken sharp deep-sea photographs of the mysterious manganese-cobalt-nickel-copper nodules which thickly carpet the ocean floor in that and some other oceanic areas.

REDS LEAD WORLD IN OCEANIC STUDIES

Russia has more ships and scientists in the polar regions than all other countries combined.

Russia has more ships and scientists assigned to deep ocean studies than any other nation. She has 800 professional oceanographers compared to the 520 in the United States.

Soviet Russia aspires to command the oceans and has mapped a shrewdly conceived plan, using science as a weapon, to win her that supremacy.

Should she be successful she would control commerce, weather, communications, much of the world's food supply, and ultimately earth's resources, health and climate. The human race, if it survived, would be in permanent bondage to Soviet masters.

"Soviet effort in oceanography is massive, of a high caliber, and is designed to establish and demonstrate world leadership," states Rear Adm. John T. Hayward, Assistant Chief of Naval Operations for Research and Development.

The wet war Russia is waging may be more dangerous to free world security than her space war or her polar war.

Supremacy in space would permit Russia to shower rockets on us from her continental domain four to six thousand miles away.

Conquest of the Arctic would shorten these distances 2,000 miles.

Victory in the wet war would enable Russia to blanket our coastal areas to a depth of more than a thousand miles with nuclear-headed missiles fired from hidden submarines a hundred miles or less offshore.

MISSILE-CARRYING SUBS POTENT WEAPON

"The submarine armed with long-range missiles is probably the most potent weapon system threatening our security today," states the recently formed committee on oceanography, composed of 11 eminent scientists, all civilians, selected from six universities and three private institutions.

Admiral Hayward says:

"It goes without saying that a complete understanding of the oceans and ocean bottom and the atmosphere above must be obtained if the Navy is to wage modern war successfully. The true submersible requires a precise method of navigation while under water. Ocean currents, bottom topography, magnetic and gravitational fields are all important in this respect."

Russia is making such studies. She is making them along our coasts, along her coasts, in midocean, along the continental shelves, and beyond in the North Atlantic, the South Atlantic, throughout the North Pacific, and in the Mid- and South Pacific, the Indian Ocean, and the Arctic and Antarctic Oceans. To make these complex investigations she is using the finest scientific ships afloat, the most laboratories, the most equipment, and the most professional oceanographers.

Scientists on these ships have discovered submarine mountain chains previously unknown, ocean canyons five times the depth of the Grand Canyon, and have plumbed the ocean to the deepest depths ever recorded. Her huge white research ships have visited the ports of west Africa, South America, the South Seas, the Antipodes. The *Vityas*, showboat of the Russian research fleet, also has called at San Francisco; Vancouver, British Columbia; and Honolulu.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of May 30, 1959:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS, MAY 30, 1959

John Foster Dulles left a heritage to comfort and strengthen those he left behind, fellow Americans and the people of other nations. For Americans he embodied great truths, the ties that bind us, patriotism rooted in deep religious convictions, inflexible principles such as the inviolability of contractual obligation and the sacredness of human dignity and freedom. Confronted with the need to compromise differences of viewpoint, he endeavored to remain steadfast to basic principles. For this he was bitterly criticized as unbending. Unfortunately his greatest recognition by friend and former foes alike was saved until he had departed. Fortunately we can benefit from the lessons contained in the eulogies. His memory could yield much to world peace and understanding. For his part in maintaining world peace during his tenure of office we can all give thanks. To some, Christian charity of viewpoint was taxed by Russian Gromyko's presence at the funeral, a man dedicated to destroying all that Dulles stood for.

James Hoffa, teamster boss, currently is busily documenting the faults and dangers of union leader bossism in our country today. Consider these incidents together: (1) Hoffa's threat of a punitive nationwide strike (despite subsequent denials); (2) the teamsters clumsy efforts over a series of breakfasts to indoctrinate Congressmen concerning labor law and the lack of need for correction of union abuses; (3) Hoffa's charge that Reuther lacks brains or guts; (4) the AFL–CIO demands that the House weaken the already weak Senate labor bill; (5) the AFL–CIO mapping of a drive to repeal the States' right-to-work laws. Think about them. What do they mean?

Here's a labor leader who loudly proclaims he is above the law; that he is bigger than the government in a public be damned attitude; that he is bigger than the other segments of the labor movement (the skillet calling the kettle black); and he is operating within a framework of trade unionism that would by law force working people to join unions and then (by the success of political pressure) remove unionism from the reach of Congress and corrective legislation. Well, unfortunately, Congress will not lead; it will only follow the people. Public indignation only will force the necessary corrective legislation. For my part, I am not waiting but will continue to work for legislation to put unions under antitrust laws such as now apply to business.

The U.S. Government's financial position should cause every citizen to stop and reflect. In 1 year U.S. bonds have dropped in popularity as an investment as much as 14 points (the 1995 3 percent issue from $97 to $83); or another example, 1 year Government certificates of indebtedness a year ago were taken by investors at 1¼ percent interest. Recently, when 1 year renewals were offered not at 1¼ percent but 4 percent only one-third of the investors reinvested. Consider also that our money is becoming a soft currency overseas. The trend is toward increasing difficulty for Government to get money, and at that at a terrifically increasing interest rate which in turn will affect everyone as the national debt interest soars. The end result? Who knows, but the unpleasantness of the suggested possibilities should not be lost nor prevent our doing some stern thinking right now. The reason is quite obvious. The $13 billion deficit of last year and years of deficit financing are catching up with us. The correction necessary requires some public support and self-discipline; namely, that Government must live within its means and reduce spending. We will not do this without public pressure which exceeds the organized minorities pressure on Congressmen.

The Renegotiation Act extension of Government defense contracts brought on some controversy over whether to terminate the act or extend it by 2 years or 4 years. Ultimately, the fear of windfall or excessive profits by defense contractors precluded any House action to curtail the authority of the Renegotiation Board. It was extended 4 years. I suggested in debate a five-fold course of action more suited to preservation

of competitive free enterprise without permitting excessive profits (and will send to you on request) but the bill passed with only seven dissenting votes. Here's an example, as I see it, of a complicated law not being understood by the House membership. Yet the facts are there and will yet force an accounting of those who either do not understand or who wishfully expect of Renegotiation Board the wisdom of the Almighty, as they take back as profit the earned income of defense contractors.

Appropriation bills are coming to the floor in rapid succession. The Executive Office and general Government agencies, $14 million approximately; the State and Justice Departments, Judiciary and related agencies, $650 million ($19 million less than last year); others will be ready soon. Unquestionably, public displeasure is resulting in smaller expenditures, but the danger is ever present of public apathy causing almost overnight blowing up of the spending balloon.

National Bellamy Flag Award

EXTENSION OF REMARKS

OF

HON. WALTER M. MUMMA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. MUMMA. Mr. Speaker, it was indeed a pleasure for me to participate in the Francis Bellamy Flag Award presentation to John Harris High School in Harrisburg, Pa., on May 18, 1959.

The Bellamy Flag Award, a national honor, was won by John Harris High School for its strong emphasis on academic achievement and for its outstanding guidance program.

David Bellamy, son of Rev. Francis Bellamy who wrote the Pledge of Allegiance to the Flag, and Miss Margarette Miller, Portsmouth, Va., donor of the award made the presentation.

There is hardly a public meeting held in America today that the Pledge of Allegiance to the Flag is not repeated. My thought about this pledge is that it beautifully tells in so few words the heritage of our country.

Patriotism, inspired in one way or another is a wonderful thing.

I want to include herewith a newspaper article that tells about the presentation and a copy of my telegram congratulating the California designate of the 1959 award.

The newspaper article and telegram follow:

[From the Harrisburg (Pa.) Patriot, May 18, 1959]

HARRIS HIGH SCHOOL GETS AWARD TODAY IN BELLAMY FLAG COMPETITION

John Harris High School will receive the Francis Bellamy Flag Award today with pupils, educators and dignitaries taking part in ceremonies in the school's auditorium. The program will begin at 9:30 a.m.

David Bellamy, Rochester, N.Y., son of Francis Bellamy who wrote the Pledge of Allegiance to the Flag, and Miss Margarette Miller, Portsmouth, Va., donor of the award, will make the presentation of the prize for the national competition.

The Bellamy Flag Award, a national honor, comes to John Harris for its strong emphasis on academic achievement and for its outstanding guidance program.

George A. Huber, president of the John Harris student body, will accept the award for the high school, and Miss Nancy M. Wickwire, of the class of 1943 at John Harris, prominent stage and television actress for the alumni.

Representatives of 6 of the 17 previous Bellamy Award recipients will extend greetings, as will Dr. Charles H. Boehm, head of the State department of public instruction, Mayor Nolan F. Ziegler, and WALTER M. MUMMA, Congressman from this district.

Among others who will participate in the program are Miss Helen J. Graeff, principal of John Harris High School; Rear Adm. John W. W. Cumming, USN (ret.); Miss Marcy Wilkins, Mary Washington College of the University of Virginia; the Reverend F. C. Thorne, pastor of Little Falls Baptist Church, New York; the Reverend Daniel H. Lewis, pastor of the First Baptist Church of Harrisburg; the Reverend Aaron M. Sheaffer, assistant pastor of Derry Street Evangelical United Brethren Church; Judy Ann Nicholas, governor of the Girls' State at John Harris; and Richard M. Warden, senior class president.

JUNE 1, 1959.

Mr. J. ELWIN LETENDRE,
Principal, Berkeley High School,
Berkeley, Calif.:

Congratulations to all at Berkeley High School for being the State of California designate of the National Bellamy Award for 1959. Just recently had the honor of participating in Francis Bellamy Flag Award presentation to John Harris High School in my congressional district at Harrisburg, Pa.

Upon learning of your school's selection for such award just wanted to join many others in extending warm best wishes.

WALTER M. MUMMA,
Member of Congress, 16th Pennsylvania District.

Remarks by the Honorable Fred Seaton, Secretary of the Interior, at the Lincoln Sesquicentennial Stamp Dedication, Washington, D.C., May 30, 1959

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. SCHWENGEL. Mr. Speaker, among the notables attending the dedication of the 4-cent Lincoln sesquicentennial stamp at the Lincoln Memorial last Saturday, was our esteemed Secretary of the Interior, the Honorable Fred Seaton.

His remarks should become a part of the historical record of this sesquicentennial year. Under unanimous consent I submit them for the RECORD:

REMARKS BY FRED A. SEATON, SECRETARY OF THE INTERIOR, AT THE LINCOLN SESQUICENTENNIAL STAMP DEDICATION, WASHINGTON, D.C., MAY 30, 1959

With pleasure I join in welcoming all of you to this noble Lincoln shrine, dedicated 37 years ago today and now administered by the Department of the Interior.

It seems to me to be altogether fitting and proper that we pay tribute on Memorial Day to the man who delivered on the terrible battlefield at Gettysburg the classic tribute to our honored dead.

It is equally fitting that we honor him by issuing a commemorative stamp.

Though the historic fact is largely overlooked, in May of the year 1833, a new postmaster was commissioned at New Salem, Ill., the first office Abraham Lincoln ever held under the Federal Government.

According to Lincoln's friend and biographer, William Herndon, Postmaster Lincoln received a salary "proportionate to the amount of business done. Whether Lincoln solicited the appointment himself, or whether it was given him without the asking," Herndon continues, "I do not know; but certain it is his administration gave general satisfaction. The mail arrived once a week, and we can imagine the extent of time and labor required to distribute it, when it is known that he carried the office around in his hat. Mr. Lincoln used to tell me that when he had a call to go to the country to survey a piece of land, he placed inside his hat all the letters belonging to people in the neighborhood and distributed them along the way."

It would probably surprise a man of such humility to know of the many memorials to his honor, including this shrine, already visited by more than 54 million men, women, and children—nearly twice the U.S. population of 1860; the monuments in stone sculptured by Saint-Gaudens, Gutzon Borglum, Daniel Chester French, and Thomas Ball; the poems and prose writings of Emerson, Whitman, and Sandburg, the cities, towns, counties, colleges, and universities which proudly bear the name of Lincoln.

This commemorative stamp which we dedicate today lengthens that imposing list. Through it, 120 million times over, Americans will be reminded of him and of compassion and greatness of heart and mind and belief in all the people—characteristics which were his in abundance.

Green Discusses the Advice of the Pope on Communism

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. DENT. Mr. Speaker, every now and then some Member of Congress makes a worthwhile contribution in our eternal fight to keep reporting and editorializing within the bounds of reason and some semblance of truth.

Such an article is the contribution I now make to the RECORD.

The report comes from the Rising Sun Times dated Thursday, May 28, 1959.

Congressman WILLIAM J. GREEN, JR., of Philadelphia, pointedly and vividly covers the subject involved in a forthright and unmistakable manner:

[From the Rising Sun Times, May 28, 1959]

REPORT FROM YOUR CONGRESSMAN: GREEN DISCUSSES THE ADVICE OF THE POPE ON COMMUNISM

(By William J. Green, Jr.)

On occasion I read New Republic, which is a self-confessed liberal weekly. Now its liberalism does not include freedom from religious bigotry. Harvard professor of history, Arthur M. Schlesinger, Jr., one of the writers came out with some anti-Catholic cracks several months ago. Now its editorial writer, known only to the reader by his initials is puzzled that the Pope would advise

Catholics everywhere to vote against communism and commie candidates.

This displays a woeful lack of understanding of the war against communism. For a magazine which sees all and knows all, it is astounding that this liberal journal, by its own admission, should fail to recognize the many facets of the battle waged by the Marxists. The multifronted war included attacks on the military, diplomatic, economic, and religious organization of the free world.

Dictators cannot allow a God in the public consciousness. Both the Declaration of Independence and Lincoln's Address at Gettysburg show our dedication to the Almighty. How you look up to Him is strictly your business. But even American coins bear the simple statement, "In God we trust."

New Republic questions the propriety of the Pope influencing individuals to vote against communism. I say he should be joined by all the religious leaders on all the continents. For one definite facet in our struggle against communism is the realm of religion. And it involves all religions equally. For the battle is religion versus irreligion—not just the Pope against Khrushchev. It is God versus the antigod of all who follow Marx. Of course, Catholics everywhere have had a dramatic demonstration through the American Embassy in Hungary granting sanctuary to Josef Cardinal Mindszenty.

Buddhists have seen their Dali Llama flee for safety across the Thibetan border. Worship has been stopped in many of the satellite nations behind the Iron Curtain. Again this order of the Pope is consistent in the fight of free people to look up to God as they understand Him. The Founding Fathers made that an American prime right, communism denies this right.

Address by Hon. Vance Hartke, of Indiana, to the State Convention of Young Democrats, North Carolina

EXTENSION OF REMARKS

OF

HON. SAM J. ERVIN, JR.

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 1, 1959

Mr. ERVIN. Mr. President, on April 30, 1959, the able and distinguished junior Senator from Indiana [Mr. HARTKE] addressed the State convention of Young Democrats of North Carolina at Raleigh, N.C.

I ask unanimous consent that excerpts from the address be printed in the RECORD.

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

EXCERPTS FROM SPEECH OF SENATOR VANCE HARTKE, DEMOCRAT, OF INDIANA, TO STATE CONVENTION OF YOUNG DEMOCRATS, RALEIGH, N.C.

It is my first trip here, but I feel right at home here in North Carolina. The welcome has been warm. And I am among young Democrats.

Of course, I am aware that the Young Democrats Clubs of this Nation spring from the first such organization in North Carolina.

In more recent times, your good Governor, the Honorable Luther H. Hodges, has gained a wide reputation for his effective, forward-looking administration. In every facet of government and development North Carolina shines as an example of sound administration tempered with moderate good judgment.

During my few months as a Member of the U.S. Senate, I have come to know your own two U.S. Senators quite well. I like them. I think everyone in North Carolina can be proud of SAM ERVIN and EVERETT JORDAN. Both are distinguished public servants who have made a great mark in military, partisan political and governmental fields. Both are fine gentlemen, sincere and capable. I am proud to sit among them and other distinguished colleagues.

Of course, you all know that the triumph of the labor-management relations bill about which I will have more to say soon is due in a great measure to Senator ERVIN. The bill carries his name and that of Senator JOHN F. KENNEDY, of Massachusetts.

May I add also that both your Senators asked me to extend their greetings and good wishes to you?

Let me dwell for a moment on some other recent history. I am myself not far removed from Young Democrats politics. Ten years ago I was neck deep in them myself. I was president of a congressional district Young Democrats organization. I consider it the threshold to full organizational politics and I take great pride in the fact that I was able to step over the threshold at a rather young age. I take great pride also in the fact that I was able to work my way up in organizational politics to run for the U.S. Senate.

Too many men and women in this world look down their noses at organizational politicians. Why should we Americans respect organizational success and efficiency in big business and deplore it in politics?

The fact is, politicians have made our country great and will continue to do so.

Politicians are a special breed. We eat, sleep, talk and live politics and government. We work long hours for comparatively little pay. We travel long distances at the drop of a hat. We see little of our wives and children. But we love it.

Politics is for the young. Even the oldtimers in politics are young in spirit and must live the lives of young men. This is why the experience and the enthusiasm of Young Democrats is so important.

And, when the backbone of our party needs stiffening, it must turn to new faces, new blood. It happened in Indiana last year and in other States as well.

We had had quite a dry spell in our State. Not in 20 years had Indiana voted for a Democrat to represent her in the Senate. It had been a decade since we had a majority of congressmen, a decade since we had a governor, 22 years since we voted Democratic for President.

Last year we trotted out a new Democratic Party. In it were some oldtimers. In it were many faces new to the State political scene, many of them like myself veterans of Young Democratic training grounds.

We beat six incumbent Republican Congressmen and held two seats of our own. We swept every State office at stake. I was 39 when elected. A law school friend of mine was one of the new congressmen. Another is 31. The others, with one exception, are in their forties or thirties. Most of our new State officials also are in their thirties or forties.

The speaker of the house of representatives in my State this year is 31 years old. The majority floor leader, a Democrat, is close to his 30th birthday.

We are building for the present and the future. This is the job of our whole party * * * in every State * * * in the Nation as a whole.

Why is this important in a State where Democrats usually win?

First, because our party must grow, must progress, or it will slide backward, even in North Carolina.

Second, and more important, because our job is only partly done today.

When I campaigned in my home State, I told the people of the problems as I saw them. I told them some possible solutions. But I also told them I was no miracle man and that we could find no magic solutions. I told them that Democrats were concerned about their problems and would work to try and solve them.

And we are working.

In the Senate in less than 4 months we have passed:

A new labor-management relations bill which should end hoodlumism and racketeering.

A housing bill that will help clear slums and help millions of Americans to become homeowners if they wish.

Extension of the draft.

An airport aid plan that should help the cities of our nation expand for the jet age that has already arrived.

Educational television assistance.

A measure setting up a thorough and fast study of unemployment and how to solve it.

An international monetary bill.

We are in the midst of a formula for the taxation of life insurance companies.

We will take steps to solve the farm problem. We will strive to provide our Armed Forces with the tools they need to keep up with and pass the Russians.

We will tackle the problems of recession, of world peace, of world trade, the problems of the aged and the inflation-hit people of every age.

We Democrats will do these things while remaining financially responsible because we dare to do things, because we are a national party. As Speaker SAM RAYBURN said when he came to Congress, "I want to work within a party that knows no North and knows no South, knows no East and knows no West."

Today, we in the Senate follow the leadership of another great man from Texas, a man whose grandfather carved a chunk out of the wild West. The philosophy of this leader, LYNDON B. JOHNSON, is that the policy committee he heads seeks to find the common ground from the extremes of the party.

The record that has been written and the record we will continue to write is the best testimony of the success of this program. In the meantime, we can do only part of the job.

Our real job is just beginning.

Able leadership, young blood, these are only part of the necessary ingredients for a real national program because we do not control the administration. This remains in the hands of the Republican Party and will through next year.

Republicans still have charge of financial management, foreign affairs, carrying out laws. They have failed to lead for 6 years and there is no indication there will be any great leadership in the coming months they have left.

Less, and not more, leadership is on the horizon as far as the administration is concerned.

We are threatened at this moment with vetoes in several fields and over several bills. The current party line of the pro-Republican columnists is that we Democrats are afraid of the vetoes and that the President really controls Congress through threats of vetoes.

We have had stumble, study, and stall. And we have had brinkmanship. Now we have vetoship, Government by threat of veto.

I know of no Democrat in the Senate losing sleep over threats of vetoes.

But I do know that this sort of talk does no one any real good, especially not the United States of America.

I know this will not change until we elect a President of the United States who is a Democrat capable of providing the leadership that so many Americans seem to have forgotten ever existed.

When we were elected to the Senate, class of 1958, we promised we would work with our President to strengthen our defenses, to rebuild sagging relations with other countries, to bring back prosperity and help find jobs for nearly 5 million unemployed, to help wipe out slums, restore dignity and profits to the small family farmer, halt runaway high prices.

The administration has responded with attacks on "wild-eyed radicals." It has called us spenders. It has threatened the veto as a dictator threatens war. It has continued the same lack of concern for the problems of the people that helped us win the elections of last fall.

The administration is selling a campaign for something which does not exist at this moment—a balanced budget.

This budget that was sent to us for consideration proposes seven new revenue-raising measures. It is based on an expected rise of some 30 percent in business. And then it is balanced only if we do some of next year's spending this year and throw this year's Republican budget even more out of whack than it is.

The administration's economic message did not even mention the specter of the unemployed, which have placed 13 cities in my State alone on the distress list.

But it has asked for 50,000 new Federal employees and more than $300,000 additional for White House expenses over this year and some $15 million more in new airplanes for the President and his staff.

In the first place, I resent the notion that a balanced budget is the goal of government. Government is to serve, to help solve national problems, to protect the citizens and to help keep the peace. It is wise, perhaps necessary, at this time to do so within the framework of a balanced budget. But the goal is peace, prosperity, progress.

Second, I resent the notion that we are spendthrifts if we so much as disturb a period or a comma in this budget we have been handed. In other words, this Republican administration is by threat of a veto attempting to control the legislative as well as the administrative branches of the Government. I especially resent being labeled as wild-eyed or spendthrift. This is especially true when this Republican administration has spent more money than any other administration in history and I point out to you that the budget submitted by the President this year is a record high budget. In other words, the biggest spender of all times is attempting to hide his own spendthrift activities by calling responsible Members of Congress spendthrift. Cuts are already being administered to budget items submitted by the administration.

The last Congress, led by Democrats, cut $617 million from the Republican administration's budget for this fiscal year. The fiscal year before that our party chopped more than $5 billion from the budget. And in the 2 fiscal years before than Democratic-led Congress lopped $2.334 billion from the budget. President Truman in his first 6 years showed a $3.7 billion surplus. President Eisenhower in his first 6 years showed a deficit of $19.8 billion.

The conclusion must be that we Democrats are financially responsible.

On the other hand, it was the Republican administration that slapped on the so-called tight money policy which has increased the interest of the national debt 90.5 percent in 6 years.

It is the Republican administration which has ignored the problem of rising unemployment, of sagging employment in manufacturing, which today is below that of 1952 even though 5.6 million more persons are in the total labor force today than there was in 1952.

It is the Republican administration which has added troubles upon troubles for the Nation's farmers. Since 1952 prices received by farmers have dropped 15 percent while prices to the consumers have risen 5 percent. The surpluses are four times the size they were 6 years ago. Farm employment is down 14 percent, farm expenses are up 10 percent. It is going to cost our Government about $7 billion to give the farmers a $13 billion income this year.

I predict this Congress will move toward the solution of the twin problems of our national economy—unemployment and farm depression. I predict we will attack the causes of rising living costs and not just the symptoms. I predict we will balance the budget and provide that which is necessary to give America peace, prosperity, and progress.

But will we face vetoes? Will the people learn who is responsible and responsive and who leads? Will you let them be fooled?

The job of complete leadership, of a real program rests not alone with Congress. We also must have the same kind of thinking in the Republican administration.

The job of getting this done rests not alone with those in the National Government. It rests to a greater extent even among you people who fight in the trenches.

To do this job means we must begin now to inform the people fully, to select carefully the candidates we will send into battle next year. * * * Straight talk. * * * Honest and sincere candidates.

The cause of freedom, of good government, of peace and prosperity, of progress demands that this be done. The welfare of our party demands that you and I and our friends do it.

Will you help finish the job? I hope and think you will.

"Belize"

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. SANTANGELO. Mr. Speaker, in my congressional district, which is probably the most heterogeneous district in the United States, there are many people with tremendous ability and knowledge of not only our Government but of our Latin-American neighbors. One of my constituents, also a good friend, is Attorney William J. Bianchi, former State senator of the 22d senatorial district of New York, which district I formerly represented.

Mr. Bianchi is an expert in Latin-American affairs, a linguist, and a dedicated public servant. During his spare time, he has concerned himself with problems affecting the Spanish-speaking peoples, and particularly of the problems confronting Latin-America.

I commend the editor and the director of the Las Americas Publishing Co., Mr. Gaetano Massa, who has recognized the talent of Mr. Bianchi and published his monograph dealing with the territory of Belize on British Honduras. The book "Belize" deals with the dispute between Guatemala and Great Britain over the territory of Belize. This dispute had its origin in the 17th century and still obtains. It cries out for solution and this book sheds light upon the problems and gives rise to a possible solution.

Even preliminary inquiry will reveal that the voluminous publications about the subject have, unfortunately, been ex-parte in nature.

For practical purposes the monograph may be divided into three parts.

The first part deals with the White Book, published by the Guatemalan Ministry of Foreign Affairs, which is the sum and substance of Guatemala's case against Great Britain.

The second part of the monograph is dedicated to tracing ownership, right, and title in relation to the territory of Belize or British Honduras. It includes, therefore, treaties, statutes, excerpts from government archives, diplomatic letters, and documents of state, as well as citations by Guatemala of cases and authorities on international law that bear materially on the question. It correlates their existence and relation to Great Britain's occupancy and ownership of the disputed territory.

The third portion of the monograph evaluates the reasoning employed and the claims raised against Great Britain as well as their validity in the light of logic, law, and historical fact. Both the reasoning and the claims are subjected to study, question, application to the facts, and analysis. In some cases, the premises on which the reasoning or claims are based are even conceded for purposes of discussion. Such a procedure insures thoroughness of treatment. Thus, where some fault is found with the immediate bases upon which a claim rests, all further consideration of the topic is not ipso facto terminated by reason of such fault. The correctness of the grounds upon which the claim or reasoning rests is assumed for the purpose of determining, in such an event, the soundness of the final or ultimate conclusion.

Mention is also made of documents like the Clayton Bulwer and Dallas Clarendon pacts. They have not been dealt with separately. Together with other treaties, excerpts from parliamentary debates, diplomatic communications, and letters of state that do not bear directly on the question, they have been accorded space and attention commensurate only with their importance as related but collateral matters.

Finally, the monograph calls attention to the extra legal methods proposed for settling the problem unilaterally and indicates several contingencies which may resolve the protracted dispute.

I am proud that a constituent of mine took the trouble to make a needed, thorough and impartial study of the entire matter.

Italy's Role in International Affairs

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. RODINO. Mr. Speaker, the United States should take every opportunity to urge that Italy be given a more active role in international negotiations. Too often, Italy's importance in European affairs since the end of the last war

has been minimized or obscured. There were many reasons for this, the main one being that she was on the losing side of that war. However, Italy has now suffered enough the consequences and setbacks for her earlier deeds and no longer should be treated as a secondary power in Europe. Since the war, particularly during the last several years, Italy has changed so radically from what it was under Fascist dictatorship that it is a mistake for people to still regard Italy as a secondary power in European and in world affairs.

Italy's importance in the East-West cold-war struggle, especially in the context of the current Foreign Ministers' Conference in Geneva, and also in the proposed summit conference, looms large. In the tug-of-war type of diplomacy going on at the Foreign Ministers' Conference the unscrupulous and wily men of the Kremlin are constantly espousing the cause of their satellites and that of East Germany and are clamoring for full representation of Czechoslovak, Polish, and East German delegates at the Geneva Conference. Under these circumstances the Western statesmen should insist that if the Conference is broadened, Italy should be the first nation to be added.

Italy certainly has earned such a place at least in matters involving the fate of Europe. Moreover, she is entitled to due and serious consideration for an important role in all important negotiations. In the course of a dozen years Italy's present leaders have not only cleansed their country of all Fascist beliefs, but they have also established a democratic republic, the Republic of Italy, through an orderly democratic process. Italy has become an integral and important part, and also a rampart, of the free West in its fight against Communist totalitarianism. Politically, economically, commercially, culturally, and ideologically Italy is not only a stanch partner of the West but one of the leaders of the free world.

As we all know, Italy is not as rich in natural resources as are some other European countries, and for that reason it has sometimes been most difficult for her to support her teeming and industrious population. This has been particularly true since the end of the last war in view of the devastation of that war. But despite innumerable serious handicaps, internal unrest and external threats, in the course of a relatively short time Italians have registered some impressive successes in governmental, financial, and commercial fields. By the efficient use of the generous aid provided by this country, both in goods and in money, they recouped a part of their terrific war losses, and began to rebuild the country. With sheer force of determination and firm resolution the Italian people, under genuine and wise leadership, pulled themselves up by their bootstraps, and improved Italy's position immensely in the commercial, industrial, and technological world. Their gains were impressive and inspired confidence and hope in their friends and sympathizers. With these advances and improvements has come her just recognition as a major power in world affairs.

This recognition of Italy as a leader in the community of free and democratic nations is most clearly acknowledged in the North Atlantic Treaty Organization. In that bulwark of democracy, the most efficient and working handmaid of the West in its defense against surging Communist totalitarianism, Italy's role is clearly defined and is supremely important. That importance is attested to by the fact that now the NATO powers have agreed, with Italy's consent, to install guided missile bases in Italy. This is a measure of the confidence which Italy's allies have placed in her, and Italy is certainly worthy of such trust.

For all these reasons, the leaders of the West should insist unequivocally that Italy be given a real, audible, and effective voice in all negotiations between the free and democratic West and the Communist totalitarian East.

Judge Irwin Davidson's Book "The Jury Is Still Out"

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 1, 1959

Mr. ANFUSO. Mr. Speaker, many of us in the House will recall Judge Irwin D. Davidson, of New York, who served with us here in the 84th Congress. He is now a judge of the court of general sessions, New York County, where he is serving with great distinction.

Judge Davidson is the author of a book "The Jury Is Still Out," which has recently been published and has aroused a considerable amount of interest. As an eminent jurist, Judge Davidson is well qualified to write this book and I commend it to all my colleagues. Those who are especially interested in problems of juvenile delinquency will find it very profitable reading.

I have known Judge Davidson for many years and am happy to count him among my dearest friends. He is a native of New York and received his bachelor of laws degree at New York University Law School. He began the practice of law in 1929 and during the 1930's served as counsel to the legislative bill drafting commission and the New York State Mortgage Commission. In 1936 he was elected to the New York State Legislature, where he served for a period of 12 years and at one time was acting Democratic leader of the assembly.

In 1948 he resigned from the State legislature to become a justice of the court of special sessions in New York. During the 6 years he was on the bench he made a distinguished name for himself as a great and fairminded jurist. He then resigned voluntarily to run for Congress in the 20th Congressional District of Manhattan and was elected in November 1954. It was during the ensuing 2 years, 1955 and 1956, that many of us here came to know him personally and to work with him. He is a great storyteller and many of us will surely recall his clean, wholesome humor.

Judge Davidson came to Congress shortly after his own family was struck by tragedy. His oldest son, Jonnie, had died after contracting a bone disease as the result of a football injury. Both Judge Davidson and his wife have since then taken an active interest in various charitable and philanthropic causes, particularly those seeking to aid crippled and destitute children. He has always been a wonderful family man, a devoted husband and a good father to his children. In fact, he is truly a man possessed of a warm heart and a keen sense of understanding of human problems. Now he is back on the bench, and these qualities undoubtedly are of great benefit not only to him personally but to all who come in direct contact with him.

As for his book "The Jury Is Still Out," it deals with a trial in a murder case which originally involved a gang of 18 boys, from the ages of 14 to 18 years. It was a famous case which happened some years ago when this gang, known as Egyptian Dragons, was accused of murdering a polio victim, Michael Farmer, who had been ambushed and killed at Highbridge Park in New York. The cases of 11 boys were disposed of in children's court because of the tender age of the accused. The other seven boys were tried for murder.

In the story as depicted by Judge Davidson we have a situation which shows juvenile delinquency at its worst. Yet, it should be noted that this situation could have happened anywhere else in the United States where children become the unfortunate victims of broken homes, where they are exposed to the influences of a bad environment, extreme poverty, lack of interest on the part of parents or the community, and other factors contributing to delinquency. Perhaps society is more to blame for all this. When youngsters who live in bad neighborhoods and under a poor environment find the need for organizing themselves into gangs for their protection, then we know that society has failed these children to an extent where it shapes their whole life in a manner which causes them to act contrary to the accepted ways of society.

Judge Davidson's book deals with these influences in the home, the neighborhoods, the gangs, and also how certain nationality groups are exploited and drawn into these situations. Evidently this case must have weighed heavily on Judge Davidson's mind as he wrote his book and sought to convey the message to the American people—the message of saving our youth from the pitfalls of crime and delinquency.

In the 85th Congress I had introduced a bill to establish a Bureau of Crime Prevention in the Department of Justice and to provide for assistance and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency. I am now planning to make some revisions and to re-introduce this bill at the earliest opportunity.

In the meantime, I strongly urge all my colleagues to read Judge Davidson's well-written book which is an excellent study of the subject.

Questions and Answers on the 1959 Amendments to the Railroad Retirement Act and Railroad Unemployment Insurance Act

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 27, 1959

Mr. VAN ZANDT. Mr. Speaker, railroad workers and their families will receive higher benefits as a result of amendments to the railroad retirement and unemployment insurance laws which were signed by the President May 19. The following questions and answers explain the changes that were made by these amendments.

RETIREMENT-SURVIVOR BENEFIT PROGRAMS

First. What changes were made in the railroad retirement and survivor programs?

Changes in these programs are as follows: First, monthly benefits and insurance lump sums were increased 10 percent; second, reduced benefits are payable as early as age 62 to spouses of 65-year-old retired employees and to women employees; third, employers and employees will pay higher taxes; fourth, the limit or creditable earnings was raised to $400 a month; fifth, the work restrictions for disability annuitants and for survivor beneficiaries who work outside the United States were modified; and sixth, payments under the Railroad Retirement Act are no longer considered income in determining eligibility for certain veterans' benefits.

Second. When will the higher annuities become payable?

The increases in annuities take effect with payments for the month of June and the increases in almost all benefits will be reflected in the July 1 or August 1 checks. Beneficiaries are asked not to write to the Board regarding increases in their benefits, as it will only delay the making of adjustments.

Third. How will employee annuities be affected by the amendments?

Benefits to employees will be about 10 percent higher under a new formula. The formula, which is applied to the employee's monthly compensation, is as follows: 3.35 percent of the first $50; 2.51 percent of the next $100; and 1.67 percent of the remainder.

The amount of the monthly benefit is found by multiplying the sum of these amounts by the employee's years of service.

Fourth. What is the highest annuity an employee who retired now could receive?

An employee with 30 years of service and maximum creditable earnings could receive an annuity of $205 beginning June 1, 1959.

Fifth. When I retired, my annuity was computed under the railroad minimum formula. Will I receive a higher benefit under the new law?

Yes. The amounts of minimum annuities were also raised 10 percent. If an employee has a current connection with the railroad industry when he retires, his annuity cannot be less than the lowest of the following amounts: $5 times his years of service; $83.50; or 110 percent of his monthly compensation.

Sixth. Is there a new formula for computing a wife's annuity?

No. A wife's annuity is equal to half of the employee's annuity, as under the old law. However, all wives on the Board's rolls will receive increases of about 10 percent in their annuities because the employee annuities on which they are based will be increased and because the amendments established a new maximum for wives' annuities. Formerly, the maximum wife's annuity was equal to the largest amount that could be paid as a wife's benefit under the Social Security Act; the maximum is now 110 percent of that amount.

Seventh. Will the survivors of deceased railroad employees get higher benefits?

Yes. A new formula for computing the "basic amount," which determines the amount of survivor benefits, provides for monthly survivor benefits and insurance lump sums which will be about 10 percent higher than under the old law.

Eighth. Were the maximum and minimum amounts of survivor benefits changed?

Yes. The new maximum family benefit under the railroad survivor formula is 2⅔ times the basic amount up to $193.60. The minimum family benefit is $16.95. However, benefits may be higher if they are computed under the social security minimum guarantee provision.

Ninth. I am receiving an annuity computed under the social security minimum guaranty provision. Will I receive a higher benefit?

Yes. Your benefit will be increased 10 percent. Railroad employees and their families are now guaranteed that their total monthly benefits under the Railroad Retirement Act will not be less than 110 percent of the amount, or 110 percent of the additional amount, that would be payable if the employee's railroad service after 1936 had been covered by the Social Security Act.

Tenth. My father's railroad pension was taken over by the Railroad Retirement Board in 1937. Did the amendments provide for an increase in his benefit?

Yes. The amendments provided for 10 percent increases in all monthly benefits, including pensions.

Eleventh. Will I have to apply for a recomputation of my annuity?

No. You do not have to apply for a recomputation of your annuity. Except for a small group who will be notified, all beneficiaries on the Board's rolls will receive the increases in their benefits automatically.

Twelfth. What are the new provisions for reduced benefits?

Wives and dependent husbands of retired 65-year-old employees and women employees who have less than 30 years of railroad service can retire as early as age 62 on reduced benefits. The annuity is reduced 1/180 for each month the applicant is under 65 when the annuity begins. The first month for which these benefits will be payable is June 1959.

Thirteenth. What is the new limit on creditable earnings?

Railroad earnings up to $400 a month after May 1959 will be creditable and can be included in figuring an employee's monthly compensation and average monthly remuneration.

Fourteenth. What are the new tax rates on employers and employees?

As of June 1, 1959, employers and employees will each pay a tax of 6¾ percent on earnings up to $400 a month. In 1962, the rate will rise to 7¼ percent, and after 1964, the rate will be increased, on a conditional basis, by the same number of percentage points as the social security tax rate exceeds 2¾ percent.

Fifteenth. Will the new tax rates provide enough income to put the railroad retirement system on a sound financial basis?

Yes. According to estimates by the Board's actuaries, the new tax rates are nearly adequate and will provide sufficient income to keep the system on a reasonably sound financial basis.

Sixteenth. If I pay higher railroad retirement taxes, will I be guaranteed higher benefits?

Yes, all formulas are increased 10 percent. Also, railroad employees are guaranteed by means of a residual payment that they and their families will receive more in benefits than they paid in railroad retirement taxes. The formula for computing this benefit—which becomes payable only after the employee's death—has been revised to take into account the higher taxes which will be paid by employees. The gross amount of the benefit, before any deductions because of railroad retirement or social security benefits, will be computed as follows: 4 percent of the employee's creditable earnings after 1936 and before 1947; 7 percent of his earnings after 1946 and before 1959; 7½ percent of his earnings after 1958 and before 1962; plus 8 percent of his earnings after 1961.

Seventeenth. What change was made in the work restrictions for survivor annuitants?

The work restrictions which apply to a survivor beneficiary who works outside the United States are the same as for individuals who work in the United States. Beginning with 1959, a beneficiary may earn up to $1,200 a year in employment—or self-employment—that is not covered by the Railroad Retirement Act without losing his annuity for any month. If he earns more than $1,200, his annuity will be withheld for 1 month for each $80 or part of $80 he earns over $1,200, but not for any month he earns less than $100—or, if self-employed, does not have substantial self-employment. These restrictions only apply if the beneficiary is under age 72.

Formerly, if a survivor beneficiary under age 72 worked outside the United States on 7 or more days in employment that was not covered by the Social Security Act, his annuity was withheld for that month.

Eighteenth. What are the new work restrictions for disability annuitants?

As before, if a disability annuitant under age 65 earns more than $100 in a month, his annuity is withheld for that month; and if he fails to report such

earnings on time his annuity may be withheld for one or more additional months as a penalty. These provisions have not been changed. However, any annuity payments which have been withheld may be payable at the end of the year if the employee's annual earnings are not more than $1,200.

In counting annual earnings for this purpose, earnings in last person and railroad employment are not counted, since no annuities are payable for any month in which such employment occurred. If the annual earnings are more than $1,200, the annuity cannot be withheld for more than 1 month for each $100 the employee earned in excess of $1,200, counting the last $50 as $100. This provision applies to earnings in 1959—and later years.

Nineteenth. How are railroad employees who are eligible for veterans' pensions affected by the new law?

A Veterans' Administration pension which is based on non-service-connected disability is not payable if the veteran's income exceeds certain limitations. Railroad retirement and survivor benefits are no longer considered income for this purpose. Retired employees who waived all or part of their annuity in order to qualify for a veteran's pension should revoke the waiver.

UNEMPLOYMENT-SICKNESS BENEFIT PROGRAMS

Twentieth. What changes were made in the unemployment and sickness programs?

A number of changes were made in these programs: First, unemployed and sick railroad workers will receive higher benefits; second, provision was made for extended unemployment benefits; third, the qualifying earnings requirement was increased; fourth, the limit on creditable earnings was raised; fifth, Sundays and holidays will be treated the same as other days in figuring unemployment benefits; sixth, the number of days of unemployment required before benefits can be paid in a first registration period was reduced from 7 to 4; seventh, employers will pay higher taxes; and eighth, the Railroad Retirement Board can borrow funds from the railroad retirement account when the balance in the unemployment benefit account is low.

Twenty-first. What are the new benefit rates for unemployment and sickness?

An employee's daily benefit rate for unemployment or sickness will be determined in one of two ways:

(a) From the following schedule:

Employee's creditable base-year earnings:

	Daily benefit rate
$500 to $699.99	$4.50
$700 to $999.99	5.00
$1,000 to $1,299.99	5.50
$1,300 to $1,599.99	6.00
$1,600 to $1,899.99	6.50
$1,900 to $2,199.99	7.00
$2,200 to $2,499.99	7.50
$2,500 to $2,799.99	8.00
$2,800 to $3,099.99	8.50
$3,100 to $3,499.99	9.00
$3,500 to $3,999.99	9.50
$4,000 and over	10.20

(b) An employee's daily benefit rate is raised to 60 percent of his daily rate of pay on his last railroad job in the base year, if this amount is higher than his daily benefit rate according to the schedule. The daily benefit rate, however, cannot exceed $10.20.

The new rates are retroactive to July 1, 1958, for normal unemployment and sickness benefits, and to January 1, 1958, for extended unemployment benefits.

Twenty-second. What provisions were made for extended unemployment benefits?

Extended unemployment benefit periods were provided for employees who did not quit voluntarily without good cause or voluntarily retire, as follows:

First, employees who have 15 or more years of railroad service can be paid benefits for as many as 130 additional days of unemployment in a 26-week period after they exhaust regular unemployment benefits. Employees who have 10–14 years of service can be paid for as many as 65 additional days in a 14-week period after they exhaust regular unemployment benefits. These benefits can begin as early as January 1, 1958.

Second, employees who have at least 10 years of railroad service and who become unemployed in a benefit year in which they are not qualified for benefits may start the next benefit year early if they are qualified for that year. This provision is also retroactive to January 1, 1958.

Twenty-third. Can employees who have less than 10 years of railroad service receive extended unemployment benefits?

Yes, but the provision for these benefits was not made part of the Railroad Unemployment Insurance Act, and the benefits are payable on a temporary basis only. Employees who have less than 10 years of service and who exhausted their unemployment benefits after June 30, 1957, and before April 1, 1959, can be paid benefits for an additional 65 days of unemployment in registration periods beginning in the period June 19, 1958–June 30, 1959. However, an employee cannot establish a claim for benefits under both this provision and the Temporary Unemployment Compensation Act of 1958.

Twenty-fourth. If I have 10 or more years of railroad service and exhaust normal benefit rights for unemployment, what should I do to receive benefits in an extended benefit period?

Continue to register with your claims agent. The Board will determine your eligibility from its records and make payments for the extended period if you are eligible.

Twenty-fifth. What service is counted toward eligibility for benefits in an extended period?

Any service that is creditable under the Railroad Retirement Act. In addition to the service shown on an employee's BA–6, this includes creditable service before 1937 and service after the end of the base year.

Twenty-sixth. When does an employee exhaust his rights to regular unemployment benefits?

An employee exhausts his rights to regular unemployment benefits under any of the following conditions: First, he has been paid benefits for 130 days in a benefit year; second, he has been paid benefits in a benefit year equal to his base-year compensation, or third, a normal benefit year ends in which he has drawn unemployment benefits less than the maximum amount for which he was qualified.

Twenty-seventh. Can I receive sickness benefits during an extended benefit period or before the regular beginning date of a benefit year?

Yes. You can receive sickness benefits in a benefit year which has been extended for unemployment benefits or which began early. Sickness benefits will be paid as in a normal benefit year, with benefits limited to 130 days or to an amount equal to your base-year compensation.

Twenty-eighth. Are registration periods in an extended benefit period different from other registration periods?

Yes. Ordinarily, a registration period must start with a claimed day of unemployment. In an extended benefit period the registration periods are an unbroken sequence of 7 or 13 2-weeks periods, and the beginning date of each depends on when the extended benefit period began. This period begins on the first day of unemployment after exhaustion of benefits in the normal benefit year.

Twenty-ninth. How can I find out if I am eligible for retroactive benefit payments for unemployment or sickness?

The Railroad Retirement Board will notify all employees who are eligible for retroactive benefit payments for unemployment or sickness. Employees are asked not to write to the Board, as it will only delay the payment of benefits. All but a small number of 1958–59 beneficiaries will receive additional payments.

Thirtieth. What is the new qualifying earnings requirement?

An employee must have creditable railroad earnings of at least $500 in a base year (calendar year) in order to qualify for unemployment or sickness benefits in the benefit year which begins the following July 1. If an employee's creditable earnings were at least $500 in 1958, he is qualified for benefits in the period July 1, 1959–June 30, 1960.

Thirty-first. What change has been made in the waiting period for unemployment benefits?

In his first unemployment registration period, an employee can be paid for each day of unemployment over 4, instead of each day over 7. That is, benefits for the first period are payable on the same basis as benefits for subsequent periods.

Thirty-second. What is the effect of removing the Sunday and holiday disqualification?

Formerly, a Sunday or a holiday was counted as a day of unemployment only if the day before and the day after were days of unemployment. The removal of this requirement means that a railroad employee who, for example, regularly works a 5-day week has 4 days of unemployment in every 2-week period when he is employed full time. Since in all registration periods unemployment benefits can now be paid for 10 days out of the 14, an employee who regularly works a 5-day week can receive benefits whenever he loses a day's work, or whenever

there is a holiday—other than on a Saturday or Sunday—for which he is not paid wages.

Thirty-third. Was the waiting period for sickness benefits also changed?

No; as before, benefits are payable for all days of sickness over 7 in an employee's first sickness registration period.

Thirty-fourth. What is the new limit on creditable earnings?

Railroad earnings up to $400 a month after May 1959 can be counted in an employee's base-year compensation for service performed after May 1959.

Thirty-fifth. How were the provisions for financing the unemployment and sickness benefit programs modified?

Beginning June 1, 1959, railroad employers will pay taxes on earnings up to $400 a month and the tax rate will rise to 3¾ percent. This is the maximum rate under a new schedule for employer contributions. As before, the rate for any calendar year will depend on the balance in the railroad unemployment insurance account on September 30 of the previous year. The new schedule is as follows:

Balance:	Rate percent
$450 million or more	1.5
$400 million, but less than $450 million	2.0
$350 million, but less than $400 million	2.5
$300 million, but less than $350 million	3.0
Less than $300 million	3.75

The amendments also gave the Railroad Retirement Board authority to borrow money from the railroad retirement account for the railroad unemployment account when the balance in the unemployment account is not sufficient to pay benefits that are due. When the money is returned, interest at 3 percent a year will be paid to the retirement account.

SENATE

TUESDAY, JUNE 2, 1959

Rabbi Norman Gerstenfeld, minister of the Washington Hebrew Congregation, Washington, D.C., offered the following prayer:

O Thou who art the shield of our hopes, the tower of strength of our souls, the guide of our hands, the vision of our courage, and the love in our hearts; Thou who art the source of the law of righteousness, the disciplines of character that build the foundations of a just humanity: Strengthen Thou the skills of our mind and the devotion of our hearts, so that we shall be the revealers of Thy truth and the instruments of Thy guidance unto our fellow men. Lift up our hearts, so that we shall never forget that man lives not by bread alone but by the integrities of our lives, by the high standards of our skills, by the truth of our conscience, by the good will of our souls, and by the will for the common good beyond the line of duty.

Stiffen Thou the sinews of our lives, so that we shall guard the altars of our community from the expediency that corrupts and the apathy that kills, from the treachery that takes in vain the name of freedom and the apostasy that would sell our heritage for a mess of pottage, from the partisanship that would make us the tools of slander and reduce us to the self-righteousness that would inflict cruelty against those who differ with us in the counsels of free men.

Guide us in our deliberations and guard us in our utterances, so that winning the next election will not take priority over our duty as witnesses to the next generation, as testimony of the gracious spirit of free men.

Lead us so that from this gathering there shall come new light into our age and the vision of days of new blessing yet to be, when the world shall be filled with the knowledge of a righteous God, even as the waters cover the seas. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 1, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; and

S. 1242. An act to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision.

The message also announced that the House had passed the bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 697. An act to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes;

H.R. 816. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians;

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Capt. Anthony Meldahl locks and dam;

H.R. 4483. An act to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey";

H.R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 4656. An act to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from any public works project of a military department to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property;

H.R. 5138. An act to extend the grounds of the Curtis-Lee Mansion in Arlington National Cemetery;

H.R. 5569. An act to amend title 10, United States Code, to authorize the award of certain medals within 2 years after a determination by the Secretary concerned that because of loss or inadvertence the recommendation was not processed;

H.R. 5927. An act 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;

H.R. 6134. An act to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member;

H.R. 6914. An act to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land;

H.R. 7120. An act to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes;

H.R. 7290. An act to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; and

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 86) to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their