

SENATE

THURSDAY, JUNE 11, 1959

Rev. O. B. Langrall, D.D., pastor, St. Luke's Methodist Church, Washington, D.C., offered the following prayer:

O God, the protector of all who put their trust in Thee; without whom nothing is strong, nothing is holy: Increase and multiply upon us Thy mercy. We pray Thee so to order the course of our lives, that while passing through and enjoying the things that are temporal, we lose not sight of things that are eternal.

We thank Thee for calling us to our tasks, trusting us with responsibilities, and giving to us the courage and the wisdom to carry on in Thy name.

To that end, we invoke Thy blessing upon us during this new day, as we gather to transact the business incumbent upon us. Make us channels through which Thy wisdom may flow, touching the lives of those entrusted to our care, so that they, in turn, may become reflectors of Thy truth.

This we ask in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 10, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller one of his secretaries, and he announced that on June 10, 1959, the President had approved and signed the following acts:

S. 758. An act for the relief of Viktors Neimanis;

S. 947. An act for the relief of Lenora Bent; and

S. 1217. An act to add certain public domain lands in Nevada to the Summit Lake Indian Reservation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House has passed the bill (S. 1901) 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, with amendments, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING
MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

THE DECREASE IN UNEMPLOYMENT

Mr. JOHNSON of Texas. Mr. President, it is gratifying that unemployment has dropped. Every American will rejoice over the fact that people who have been unemployed have been placed upon payrolls.

This rejoicing, however, should not obscure the fact that there are still pockets of unemployment. In the Nation there are still areas where people have been out of work for many months, and where there are no immediate prospects for employment.

The statistics are very good. But statistics will not feed families. I believe we still have an obligation to do something about the spotty areas of depression which still persist.

Mr. President, I am informed that the Committee on Labor and Public Welfare now has a subcommittee which recently has taken action or is about to act in connection with a bill, introduced by the very able senior Senator from Minnesota [Mr. HUMPHREY] creating a Civilian Conservation Corps. I am hopeful that the full committee will give its attention to that measure, and will act upon it at an early date.

The fact that unemployment is not a nationwide issue does not relieve us of our obligations to our fellow-Americans who are not sharing in the good times enjoyed by so many.

Mr. DIRKSEN. Mr. President, the news on the front pages of the newspapers certainly is encouraging and heartening. I am glad the majority leader alludes to it. There has been what might be called a massive upsurge in employment; and I think it is a great testimony to the wisdom and to the restraint of the President of the United States, who, notwithstanding the arguments and contentions which were made some months ago, kept his feet on the ground and constantly reemphasized his confidence and his belief that, through the forces then operating and through the suggestions made by the administration, we would come out of the 1958 doldrums and would meet a new high in the employment field.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the New Jersey Region of the Zionist Organization of America, at Atlantic City, N.J., favoring the inclusion of the State of Israel in the program for grants-in-aid from the United States, which was referred to the Committee on Foreign Relations.

ARTHUR GODFREY URGES CANCER
RESEARCH—RESOLUTION OF THE
TEXAS SENATE

Mr. JOHNSON of Texas. Mr. President, by his notable fortitude and courage in the face of great adversity, Arthur Godfrey has won the enduring admiration of millions of Americans.

This man, who has devoted his adult life to entertaining and helping others, recently underwent surgery for lung cancer.

But he has not retreated in the face of this universal foe and enemy of humankind. Instead, Arthur Godfrey channeled his talent and energy, his intellect and the physical force of his being, into rallying further support in an expanded offensive against this dread disease.

Conscious that many lives cut short by this terrible malady might be saved through intensified research, he has addressed to Congress a plea for the establishment of a crash program for cancer research.

His efforts constitute a contribution to the future of all mankind, and were so recognized in a resolution recently adopted by the Texas Senate.

Mr. President, the great leader of health programs in this body, the senior Senator from Alabama [Mr. HILL], now has under consideration the testimony of some of the most eminent experts in the Nation. Mrs. Mary Lasker, who has devoted a great deal of her time and her personal funds to attempting to alert and awaken Americans to the necessity of research against this dreaded disease, has been very effective in this program. The Nation can be grateful to Mrs. Lasker, who has carried on, in the great tradition of Florence Nightingale and Clara Barton.

In humble recognition of the faith, courage, determination, and devotion of these good people, and particularly of this good man, Arthur Godfrey, I ask unanimous consent to have printed in the RECORD Resolution No. 70, as adopted on June 5, 1959, by the Senate of Texas.

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

SENATE RESOLUTION 70

Whereas Arthur Godfrey who has devoted his life to entertaining and helping others, recently underwent successful surgery for a lung cancer; and

Whereas Arthur Godfrey has made a plea to Congress to establish a crash program for cancer research. He publicized the vital fact that many American lives cut short by this terrible disease might be saved by stepping up our national program of cancer research; and

Whereas the cancer research program has received support of our Congressmen, business leaders, doctors, scientists and President. It is supported by all Americans who have knowledge of this terrible disease; and

Whereas any additional help that can be given Arthur Godfrey and other Americans to discover and eradicate the disease of cancer is a contribution to future mankind: Now, therefore, be it

Resolved, That the Senate of Texas extend wishes for complete recovery to Arthur Godfrey; that he be congratulated for using his fame and influence in behalf of his fellowmen; that copies of this resolution bearing the seal of the Senate of Texas be sent to Arthur Godfrey; and to each Member of the Congress from Texas.

BEN RAMSEY,
President of the Senate.
CHARLES SCHNABEL,
Secretary of the Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ANDERSON, from the Joint Committee on Atomic Energy, with amendments:

S. 2094. 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 (Rept. No. 386).

BILLS INTRODUCED

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

By Mr. MOSS (by request):

S. 2156. A bill to amend the act of September 2, 1958, relating to the exchange of lands between the United States and the Navajo Tribe, to clarify the intent of Congress with respect to certain excepted rights; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of North Dakota:

S. 2157. A bill to amend section 125 of the Soil Bank Act which prohibits the production of certain crops on Government-owned lands; to the Committee on Agriculture and Forestry.

By Mr. KEATING:

S. 2158. A bill to amend the Immigration and Nationality Act to provide for the registration with certain U.S. consular officers of the birth of those persons born abroad who are citizens at birth, and for other purposes; to the Committee on the Judiciary.

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

By Mr. BEALL:

S. 2159. A bill for the relief of Athanasios Karatzas; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 2160. A bill for the relief of Dr. Ki Hyuk Pak and his wife, Mrs. Ki Hyuk Pak; to the Committee on the Judiciary.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO REGISTRATION OF CERTAIN FOREIGN-BORN AMERICAN CITIZENS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to provide for the registration and the issuance of certificates of citizenship to American children born outside the United States.

At the present time there are over half a million family members of our Armed Forces in overseas areas. In addition, there are thousands of American civilian families in foreign countries throughout the world. Our Government's international activities, the increase in frequency of overseas business operations, and the tremendous surge in overseas tourism, mean that we can expect more Americans to be born in foreign countries than ever before in our history.

Our naturalization laws must be amended to take into account this changing international situation. The outmoded provisions of the present laws were forcefully brought to my attention by a constituent who wrote to me about the experience of his son. His son's two children were born in Germany in 1957 and 1958, while the son, an Army officer, was stationed there on Army duty. Both the son and his wife are native-born

Americans. Despite this, the only way certificates of citizenship could be obtained for their children was to wait until they returned to the United States. At that time they would have to file the same kind of form as is used in the case of persons who are aliens at birth and who seek naturalization by reason of the naturalization of their parents. Moreover, the only birth certificates that could be obtained for these American children were those issued by public officials in the locale of the birth, Frankfurt and Garmisch-Partenkirchen, Germany. The present law did not provide for any procedure under which birth certificates could be obtained for these children from the Department of State or any other agency of the U.S. Government.

Under the terms of my bill, any child born outside the United States to American parents would be registered with an American consular officer in the country of birth. Upon such registration, the Secretary of State would be required upon application to issue a certificate of birth for the child. All children to whom such a certificate of birth had been issued would be furnished a certificate of citizenship by the Attorney General.

This modernization of our present naturalization laws is long overdue. It is the least we can do to protect the status of the children of the thousands of Americans who find themselves in foreign lands in the service of their Government. The inconvenience to which these American families are now put to establish the birthrights of their children is intolerable. I hope this bill will lead to a speedy improvement of the situation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 2158) to amend the Immigration and Nationality Act to provide for the registration with certain U.S. consular officers of the birth of those persons born abroad who are citizens at birth, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of the Immigration and Nationality Act (8 U.S.C. 1401) is amended by adding at the end thereof the following new subsection:

"(d) Whenever any person is born outside the United States and its outlying possessions, and under paragraph (3), (4), or (7) of subsection (a) such person is a citizen of the United States at birth, the birth of that person may be registered with a consular officer in the country in which that person was born, under such regulations as the Secretary of State may prescribe. Upon application by or on behalf of any person whose birth is registered under this subsection, the Secretary of State shall issue a certificate of birth to such person. No charge shall be made for the first issuance of a certificate to any person under the preceding sentence, but the Secretary may prescribe reasonable fees for the issuance of duplicates of any such certificate."

Sec. 2. Section 341 of the Immigration and Nationality Act (8 U.S.C. 1452) is amended by inserting "(a)" immediately after "Sec. 341.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any provision of subsection (a), the Attorney General shall furnish, without charge therefor, a certificate of citizenship to any person who is a citizen of the United States at birth by virtue of the provisions of paragraph (3), (4), or (7) of section 301(a) of this title, whether or not such person is within the United States, if an application by or on behalf of such person is submitted to the Attorney General in the form of a written statement, under oath or affirmation, that the person to whom such certificate is to be furnished is a person whose birth is registered with a consular officer in accordance with the provisions of section 301(d) of this title. No additional proof shall be required from an applicant for a certificate of citizenship under this subsection."

NOTICE OF HEARINGS BEFORE SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT, OF COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, certain bills now pending before the Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary were scheduled to be considered in hearings starting today. I have talked with the members of the subcommittee, and it was decided to hold hearings 1 week hence, June 18, 1959, in room 6202, New Senate Office Building, for the purpose of receiving testimony on the following bills, and such others as may have been introduced or referred to the subcommittee subsequent to this notice: S. 105, a bill to provide scientific scholarships and fellowships for children of veterans and other individuals from interest resulting from the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the payment from such funds of certain American war claims against Germany and Japan; by Senator SMATHERS.

S. 531, a bill to amend section 32(a) (2) (D) of the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian; by Senator BIBLE.

S. 664, a bill to amend the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian; and to amend the War Claims Act of 1948 to provide for the payment of certain American war damage claims; by Senator LANGER.

S. 672, an amendment in the nature of a substitute to the bill S. 672 to amend the War Claims Act of 1948 and the Trading With the Enemy Act to provide for the payment of certain American war damage claims and the return of vested assets for the value thereof; by Senator JOHNSTON of South Carolina.

S. 744, a bill to amend the Trading With the Enemy Act and the War Claims Act of 1948 to allow, as a matter of grace, the return of certain vested assets, and to provide for the payment of certain

American war damage claims; by Senator YOUNG.

S. 1103, a bill to amend section 9(a) of the Trading With the Enemy Act to permit the sale of vested property which is the subject of litigation; by Senator KEATING.

S. 1963, a bill to authorize the Secretary of Health, Education, and Welfare to make grants from funds obtained under the Trading With the Enemy Act to assist the States and local communities to provide facilities for older persons including the parents of veterans of World War II and the Korean conflict; by Senator HENNING.

S. 2205, a bill to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses; by Senator WILEY, by request.

S. 1012, a bill to amend the Trading With the Enemy Act to provide for the divesting of certain interests in estates and trust, and for other purposes; Senator BUSH, for himself and Senator SALTONSTALL.

S. 2093, a bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; by Senator CARROLL, for himself and Senator BIBLE.

The limitations with respect to testimony, contained in the notice of May 18, 1959, will apply to the rescheduled hearings.

INCREASE IN THE INTEREST RATE ON GOVERNMENT BONDS

Mr. McCARTHY. Mr. President, I wonder what adjective the Republicans used before they developed the popular term "massive." I suppose it would be proper to refer to what the Secretary of the Treasury is requesting as a massive increase in the interest rate on Government bonds, and also a massive increase in the temporary, as well as in the permanent, debt ceiling of the Nation. And I suppose that if we wished to use the Republican's terminology, we could talk about his asking for a massive extension of the corporate profits and excise taxes, which first were imposed as wartime taxes.

Mr. President, in the course of the past few weeks there have been very able discussions about the economic implications of the administration's request for higher interest rates, particularly on Government bonds. Yesterday the Washington Post published a letter written by Mr. Walter C. Louchheim, Jr., a distinguished financier in the city of Washington; and I think it might be well for Members of the Senate to give some attention to his opinion.

For example, he points out that the postulate upon which this request is made is "that raising the interest rate will broaden the ownership base and lengthen the average maturity of the Government debt."

He also points out:

This is the same postulate upon which Randolph Burgess, with the support of then Secretary George Humphrey, in 1953 offered a Government bond at 3½ percent at a time

when the interest on outstanding Treasuries was below 3 percent, thereby starting the spiral of mounting interest and increasing the annual cost of servicing the debt from \$5.3 billion to the now budgeted \$8.3 billion.

But instead of widening the base and lengthening the maturity, the policy of increasing the rate of interest on the Government debt has had exactly the opposite effects so that today the Treasury is unable to sell its obligations in volume except to commercial banks at short term, which is the most inflationary procedure for financing the Government.

In the light of this record it is extremely doubtful that another hike in the interest rate alone would restore the Government credit to the level of the pre-Humphrey period, or that it would attract widespread participation by the public in long term bond offerings.

Mr. President, this seems to be an extension into the field of finance of the policy which has been followed by the Department of Agriculture. Although, as we recall, when the nomination of Mr. Benson was before the Senate for confirmation, he said he did not know what he was going to do about the farm commodity price-support program. Soon after he was established in that office he began talking about 80 percent of parity; and he said the farm problem would be solved if he could just get farm commodity price supports down to 80 percent of parity.

Eventually he got to that point. As he did, the farm situation became worse. Surplus increased. Farm income went down. The cost of the program increased. So he said that if he could just get the support price down to 75 percent of parity, everything would be taken care of. So he worked it down to that point. Things got worse. So he asked for 60 percent of parity. He has got support prices down to 60 percent of parity, and conditions continue to get worse.

So in the field of finance and handling the public debt, first the interest rates were increased. Things got worse. So, in order to solve the problem, the administration is proposing further increases in interest rates.

I recall a discussion similar to this in the House of Representatives regarding Mr. Benson, in which the distinguished Representative from Montana [Mr. ANDERSON] said the approach of the administration was like that of the old-time veterinarian who, when he was called in to treat a sick horse or a sick cow, would first recommend bleeding the animal. If the animal got worse, he advised bleeding the animal again. If the animal continued to get worse, he recommended bleeding the animal further. This has certainly been the policy in agriculture. It seems to be the policy being adopted by the Treasury Department.

Mr. President, I ask unanimous consent that following these remarks, the letter of Mr. Walter C. Louchheim be printed in full in the RECORD.

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

RAISING INTEREST RATES

The reported intention of Secretary of the Treasury Anderson to ask the Congress to raise or abolish the present legal ceiling of 4½ percent on U.S. Government bonds seems

to be based upon the postulate that raising the interest rate will broaden the ownership base and lengthen the average maturity of the Government debt.

This is the same postulate upon which Randolph Burgess, with the support of then Secretary George Humphrey, in 1953 offered a Government bond at 3½ percent at a time when the interest on outstanding Treasuries was below 3 percent, thereby starting the spiral of mounting interest and increasing the annual cost of servicing the debt from \$5.3 billion to the now budgeted \$8.3 billion.

But instead of widening the base and lengthening the maturity the policy of increasing the rate of interest on the Government debt has had exactly the opposite effects so that today the Treasury is unable to sell its obligations in volume except to commercial banks at short term, which is the most inflationary procedure for financing the Government.

In the light of this record it is extremely doubtful that another hike in the interest rate alone would restore the Government credit to the level of the pre-Humphrey period, or that it would attract widespread participation by the public in long-term bond offerings.

What is required in addition is a method of stabilizing the capital values of Government bonds so that investors would not suffer further devaluation of their assets through the continuous decline in market values caused by rising interest rates and the absence of support from the Federal Reserve System.

A return to the arrangement whereby the Fed assisted the Treasury by contributing to an orderly and reasonably stable Government bond market would seem to be the most feasible approach. Or there may be other measures more acceptable to the present fiscal authorities.

In either event, it does not seem reasonable to expect that the Congress would legalize higher interest rates without some assurance that order and stability would be restored to the Government bond market.

WALTER C. LOUCHEIM, JR.

WASHINGTON.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. PROUTY. Mr. President, I do not rise today to defend Admiral Strauss—I merely state that I shall vote to confirm his nomination because I believe the President is entitled to have the man he wants as his Secretary of Commerce unless there is evidence of disloyalty, incompetence, or moral turpitude. While I have not always agreed with his views, I am satisfied that during his service with three administrations, Lewis Strauss has demonstrated loyalty, competence, and integrity of the highest order. If his attitude seems to suggest that he regards Senators as something less than gods, I can only say that in the case of the junior Senator from Vermont, his skepticism is justified.

My purpose is to speak out for common sense.

The hearings before the Interstate and Foreign Commerce Committee stretched out for 16 days during March, April, and May.

The printed record runs 1,128 pages, or roughly 597,800 words. In addition, the debate in the Senate has added several thousand more words, and the end is not yet in sight.

I am opposed at all times to shutting off debate before all the facts are in, but

I have not heard a new word said or a new fact developed which is pertinent to the business at hand. Everything that can be said has been said. Members of the Senate now know how they will vote. No votes will be changed by the airing of more verbiage. In this instance prolonging the debate just prolongs the agony.

I say "agony" because every statement going into the CONGRESSIONAL RECORD pinches the taxpayer in the pocketbook to the tune of 5¼ cents a word. When thousands of words go into the RECORD, which do not contribute to the enlightenment of Senators or the advancement of the business at hand, the pain can become excruciating.

It would be very interesting indeed if a record were kept of the repetitious words spoken in the Strauss matter so that the taxpayers would know how much all this is costing them.

We ought to vote now, and get on to consideration of major legislative problems.

Last week in Vermont, a farmer asked me how long we were going to waste the taxpayers' money carrying on this controversy. I could not give him an answer. Only the Senate can do that. I hope my friend will get his answer soon. In Vermont we do not believe in wasting money or in wasting words. When we see conspicuous waste, especially of the taxpayers' money, it makes us unhappy. I suspect there are millions of citizens in every part of the country who feel the same way about it.

It is only common sense to close the barn door when the cows are in. The facts are in. The record is plain for all to see. It makes no sense to go on ad nauseum in endless repetition.

Let the Senate vote. Let it vote now.

THE CASE FOR FAIR TRADE

Mr. PROXMIER, Mr. President, most of the big publishers of this country seem to be opposed to fair trade. I am sure their opposition is sincere. But they are wrong. They are wrong because every editorial attack on fair trade I have read assumes that there is an air-tight, prima facie case that fair trade will reduce competition and drive up consumer prices.

Any prudent man who will dig deeply and objectively into the Nation's experience under fair trade and who will study the kind of fair trade legislation that is being proposed in Congress this year may come to a precisely opposite conclusion: That in fact fair trade may preserve and protect competition by keeping the little retailer alive in his unequal struggle against powerful chains, and in doing this provide a long run protection for the consumer against local retail monopolies.

Mr. President, the Cincinnati Enquirer carried a splendid editorial in support of fair trade recently. This editorial makes the case for fair trade eloquently. It also proves that here is a paper that has gone below the glossy surface of economic platitudes to mine

the realities of competitive life in America. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD immediately following these remarks.

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

THE CASE FOR FAIR TRADE

Few subjects in our modern economic life have been discussed as vehemently—and with less real comprehension of the underlying principle—as fair trade.

The popular concept is that fair trade laws are enacted to keep people from getting bargains, or to prevent healthful competition, or to make the public pay more for manufactured goods than they are worth.

To see what fair trade really means, and how it operates, let's suppose you organize a company. You're going to manufacture electric irons—good electric irons, the best that can be made. You pay for research, to obtain the latest features in your product. You buy expensive machinery, hire skilled craftsmen, organize a merchandising and advertising campaign to create a popular demand for your irons.

Your electric iron is not cheap, but you are convinced that the public will pay a fair price for a really good iron.

First, though, you must sell them to appliance dealers throughout the country—unless you intend to operate thousands of retail stores yourself, which would be uneconomical if not impossible.

The thing that the appliance dealer wants to know is—can he sell them, or will he get stuck with them?

In your case, it being a good iron and properly promoted, he can be convinced of its salability. But he might be stuck with them in another way. Suppose, after he's purchased a good inventory and sold some to his best customers, a discount house or the like around the corner starts selling them at wholesale?

His best customers will accuse the dealer of having gypped them. And if the retailer tries to meet the wholesale price, he is soon out of business. After all, he is renting his store, paying his help and keeping going on the usual traditional spread between wholesale and retail prices.

This doesn't have to happen too often, or too long, before you and your good iron manufacturing company are caught in a deadly vise. Once your product has gone the round of the discount houses and the special sales, how many retailers are going to stock up on your iron? And when you lose the promotion and merchandising support of the ethical retailers, even the discount houses and special sellers will lose interest in you. Or they'll demand special price concessions that would make it impossible for you to continue manufacturing a good iron.

Fair trade, in essence, requires all dealers in your product to observe the suggested price. It is a protection for the independent retailer as well as the manufacturer of trade name wares.

It does not end competition. Non-fair-traded products are subject to any price manipulation. And there always is the compelling factor of rivalry between manufacturers in the various fields.

What is so heinous about permitting a man—you, in the electric iron business—to suggest a retail price that will be adequate to keep you and your retailers in business?

The issue is being threshed out in Congress and the State legislatures. The public, we think, would do well to look at the broad principle involved. The bargains available when fair trade breaks down may be very illusory.

COMPETITIVE BIDDING FOR GOVERNMENT CONTRACTS

Mr. WILLIAMS of Delaware. Mr. President, nearly 3 months ago, I introduced a bill, S. 1383, which I said at the time would, if adopted, save millions of dollars annually for the American taxpayer without in any way jeopardizing either our national defense or any domestic program.

My bill would require that in making its purchases either for national defense or for civilian goods, the Federal Government should advertise for bids and award the contracts for the procurement of all types of goods and services on a strictly competitive basis. There were exceptions in the bill that would make allowances for the purchase of secret defense items or for items that were just new in production. The national security would be adequately guarded by this bill.

At the time I introduced the bill, I called attention to a report that had been issued in January of this year by the Comptroller General which brought to light a glaring example of the waste of the taxpayers' money under the negotiated contract system. This was just one example of many overpriced contracts that have been called to our attention in recent months by the Comptroller General's office.

The report dealt with a contract that had been negotiated by the Navy with the McDonnell Aircraft Corp. of St. Louis. In it, the Comptroller General pointed out that the contractor incurred costs of about \$6 million less than the amount contemplated in establishing the price, of which \$2,596,900 could have been recognized by Navy contracting officials by an adequate review of cost data available at the time the price was established.

This, then, was an excellent example of a flagrant potential waste of the taxpayers' money because of negotiated contracts. According to the Comptroller General, as a result of this investigation, the contractors offered a price reduction of \$3 million. But that offer was a result of the investigation, not a result of businesslike procurement procedures.

Now, 5 months later, the Comptroller General has issued another report—similar in nature, both as to type and company involved.

In this latest report to the Congress, the Comptroller General points out the following, and I ask unanimous consent that the quotation be printed at this point in the RECORD.

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

Cost estimates, submitted by McDonnell and used in negotiating the target price for contract AF 33(600)-23393, contained estimated subcontract costs for certain purchased equipment which were higher than maximum prices that had been established by McDonnell with its subcontractors before the target-price negotiations. McDonnell's proposal was based on subcontract prices in effect at the time the proposal was submitted, based on purchase orders under the preceding contract. However, prior to the

time of the negotiations, McDonnell had awarded purchase orders to its suppliers at lower prices for items to be used for performance under contract 23393. The Air Force did not obtain and consider the information on the lower subcontract prices at the time of negotiations. As a result of using higher estimated costs in negotiations, the target costs were excessive by about \$5,193,000 and the Government will incur excessive costs of about \$1,506,000 unless the contract price is adjusted.

Mr. WILLIAMS of Delaware. The Comptroller General in this instance calls attention to the fact that the Government has lost a million and a half dollars under a contract price which was negotiated rather than awarded on a competitive bid basis.

This was another of the Federal Government's fixed-price incentive-type contracts and was awarded to McDonnell Aircraft Corp. on March 4, 1955, for the production of Air Force F-101 Voodoo fighter airplanes.

But for the taxpayer, the important part of this so-called incentive-type contract is that it apparently gives the contractor a very fine incentive for submitting target cost proposals that are far higher than costs the same contractor incurred for the same items before the contract was even negotiated.

Under such an arrangement, there would seem little incentive to save the Government money.

This particular case has been referred to the Department of Justice—as a result the Comptroller General's report. What action will be taken there I do not know. But it should be quite apparent that no action would be necessary if this contract had been put out on competitive bids. Under the terms of S. 1383, that would have been the case.

I cannot emphasize too strongly the need for care in the expenditure of public funds in these days of high defense costs and high budgets in general. I think the American people want to know that the Federal Government is making every possible effort to reduce unnecessary and wasteful spending—whether it be on the defense program or any other. And one way to assure that more care will be exercised in the expenditure of tax money is to adopt S. 1383 and require that bids of this nature be awarded on a competitive basis.

I might add that, in addition to the increasingly obvious need for a system of competitive bidding on Government contracts, this case points out once again the necessity for the inclusion in such contracts of a clause whereby all savings that accrue to a contractor as a result of lower subcontractor costs should revert to the Federal Government. Such a provision would remove the temptation on the part of some contractors to submit over-priced estimates of subcontractors' costs and then later reap a windfall of, in this case, 20 percent of such apparent cost savings.

I strongly urge the procurement divisions of the various armed services to begin immediately to make such a provision in future contracts.

I will add, Mr. President, in connection with the extension of the Rene-

gotiation Act, which is now pending before the Senate Committee on Finance, that there is an amendment which deals with this particular subject which, in the minds of many of us, as included by the House, would further endorse or approve these incentive type contracts under which the Government has been losing millions of dollars. There will be a determined effort made in our committee to have this provision eliminated from the House proposal.

I think the Renegotiation Act must be written with the idea that there will be adequate authority carried in the act to protect the American taxpayers. However, I think the need for many of the renegotiations would be largely eliminated if the Government would exercise the same degree of business prudence in making purchases that is exercised by private industry; namely, by letting contracts on a competitive bid basis in every case possible.

DISTINGUISHED AWARD TO DR. GEORGE BARNES GALLOWAY

Mr. COTTON. Mr. President, Dr. George Barnes Galloway, senior specialist in American Government and Public Administration in the Legislative Reference Service of the Library of Congress, is well known and highly helpful to many Members of the Senate and House of Representatives.

The alumni association of his alma mater, Wesleyan University, at this year's commencement conferred upon him its Distinguished Alumnus Award in recognition of outstanding achievement and service.

His services to the Congress of the United States, particularly with respect to the research that led to the Legislative Reorganization Act of 1946, are reviewed in the award.

Dr. Galloway and I were undergraduates together at Wesleyan, and it is with pleasure and pride that I ask unanimous consent to have the text of this award printed in the RECORD.

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

DISTINGUISHED ALUMNUS AWARD IN RECOGNITION OF OUTSTANDING ACHIEVEMENT AND SERVICE TO GEORGE BARNES GALLOWAY

After graduation with honors in 1920, George Galloway obtained an M.A. from Washington University and a Ph. D. from Brookings Institution in 1926.

His keen interest, broad experience and study of the functioning of Government qualify him as an expert on congressional organization and procedure. As staff director of the Joint Committee on the Organization of Congress, he did much of the research that led to the Legislative Reorganization Act of 1946. Since then he has been with the Legislative Reference Service of the Library of Congress as senior specialist in American Government and Public Administration. His vast knowledge and experience in legislative matters is frequently sought by congressional committees and by individual Members of Congress. He also briefs numerous officials from other countries, as well as student and civic groups, on the work of Congress.

As consultant, lecturer, and author of numerous books and articles, George Galloway has contributed significantly to improved understanding and more efficient functioning of the legislative branch of our Government.

WESLEYAN UNIVERSITY ALUMNI ASSOCIATION.

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

Mr. COTTON. I yield.

Mr. KEATING. Would the Senator advise the Senate the class at Wesleyan to which he referred?

Mr. COTTON. Dr. Galloway's class, or mine?

Mr. KEATING. I understood the Senator and Dr. Galloway were classmates.

Mr. COTTON. Dr. Galloway's class was 1920, and mine was 1923. If he has reference to our ages, I will remind the distinguished Senator from New York to whom I am addressing my remarks that Dr. Galloway is exactly 1 week older than I.

Mr. KEATING. I remember that. I wanted to say what a distinguished class it must have been if both the Senator from New Hampshire and Dr. Galloway were members; but now I will have to divide the distinction between the two classes.

Mr. COTTON. I thank the Senator.

NOMINATION OF HENRY FRIENDLY TO BE A JUDGE OF THE U.S. COURT OF APPEALS

Mr. JAVITS. Mr. President, I wish to address myself to an editorial published Tuesday, June 9, in the Washington Post and Times Herald entitled "Inexcusable Delay," referring to the nomination of Henry J. Friendly to be a judge of the U.S. Court of Appeals, Second Circuit. The editor named me specifically and said:

Although Mr. Friendly has the recommendation of such respected judges as Learned Hand, as well as the endorsement of lawyers in the New York area, he does not have the support of Senator Jacob K. Javits, Republican, of New York, and other New York Republican leaders.

And so on. Mr. President, this simply is not the fact. I think the floor of the Senate is the correct place to say this, and in addition, I have a very high regard for the Washington Post and Times Herald, which has always treated me fairly. Aside from that, I have a high regard for the Washington Post and Times Herald as a paper. However, the assertion made in this Washington Post editorial is utterly without foundation, and in fact, to quote Mr. Friendly, left him "utterly dumbfounded." This is the full text of the telegram he sent me Wednesday:

Have just seen editorial concerning me in yesterday's Washington Post. Am utterly dumbfounded at this. Cannot understand how anyone could attribute delay to you or any other Republican. While I knew nothing about this editorial, as I am sure you realize, nevertheless wish to express my deep regret at this wholly unfair criticism of you and your colleagues.

HENRY J. FRIENDLY.

I would like to take this opportunity, Mr. President, to set the record straight right now so that it will be based on the facts and not fiction. At a press conference last March which was held after the President nominated Mr. Friendly, I made it quite clear that although both New York Senators and the Republican State Committee had previously supported another candidate for that vacancy—one who had an outstanding record as a judge on the Federal district bench, I considered Mr. Friendly a most distinguished lawyer and well qualified to serve on the bench. During this meeting at which to the best of my knowledge a Washington Post reporter was present, I also said that I hoped there would be no unnecessary delay in acting on the President's nomination since the court calendar in the second circuit is extremely congested, one of the most overcrowded in the country.

In a personal conversation, a few weeks ago, with Senator Dobb, who is acting chairman of the Judiciary Subcommittee to which the Friendly nomination has been referred, I again expressed the desire that action on his nomination would be taken as soon as possible. My colleague, Mr. KEATING, who is a member of the Judiciary Committee, stated on the Senate floor yesterday that he has also urged action be taken on this nomination and several others to the Federal bench in the New York area, taking the matter up with his committee chairman, Senator EASTLAND. Finally, an inquiry made by my office with the executive clerk of the Senate has revealed the following fact. The President so far this year has sent over six nominations to vacancies on the Federal circuit bench. One has been confirmed—the first nomination sent to the Senate. Today, the Washington Post reported that the Judiciary Subcommittee yesterday held hearings and approved the second name submitted by the President this session. Hearings on the third nominee are scheduled later this month. Chronologically, the Friendly nomination was the last one made, and I share the serious concern of anyone following the current rate of progress by the Judiciary Committee, that it may be weeks before hearings are completed on remaining nominees and their names presented to the Senate.

All of us who are aware of the situation should therefore continue to do everything in our power to urge speedier consideration by the Senate Judiciary Committee, not only in fairness to a nominee like Mr. Friendly who has fine qualifications, but out of concern for the citizens of New York, Connecticut, and Vermont who live within the second circuit where the vacancy exists.

Whatever the situation, certainly we must all be charitable with the press, which has lots of problems of its own. Sometimes things like this can be misunderstood. I wish to make it crystal clear that I support Mr. Friendly in his nomination, and I urge with every power I have that the nomination be promptly considered and be promptly confirmed.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there further morning business?

ADDRESS BY BASIL DEAN TO WESTERN AIRLINES INAUGURAL BANQUET

Mr. MANSFIELD. Mr. President, on June 2 a celebration was held in Calgary, Alberta, on the occasion of the Western Airlines inaugural of service to that city. Western Airlines for over a decade had been trying to extend its service to Calgary, the hub of the oil and the cattle region in the Province of Alberta, and at long last was successful because of an agreement between the Governments of Canada and of the United States.

At the time this service was inaugurated a celebration was held in Calgary, attended by Terrell Drinkwater, president of Western Airlines; as well as Mr. Jerry Brooder, vice president; Alex Warden, of Great Falls, Mont., a director; and other officials of that company; as well as officials of the State of Montana, of the Government of the United States, of the Province of Alberta, and of the Dominion of Canada.

On that occasion an address of outstanding significance was delivered by Mr. Basil Dean, publisher of the Calgary Herald and president of the Calgary Chamber of Commerce.

Mr. President, I ask unanimous consent that introductory remarks by Mr. James J. Flaherty, president of the Great Falls Paper Co., of Great Falls, Mont., and the address by Mr. Basil Dean be printed in the RECORD.

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

INTRODUCTION BY BASIL DEAN BY JAMES J. FLAHERTY, PRESIDENT, GREAT FALLS PAPER CO., GREAT FALLS, MONT.

Was born in England in 1915 during World War I. He grew up in its aftermath, and absorbed this knowledge.

He was graduated from the University of London, receiving his diploma in journalism in 1936. Next, 2 years of exciting work as a reporter in Fleet Street. From here the big dailies pour out the news in thousands of copies—the Times, Mail, Express, Telegraph, and News Chronicle—rushing their issues to the four corners of the world. His thinking took on a global viewpoint.

He listened to the debates in the House of Commons of the brilliant leaders of that period, including the great Sir Winston. What an experience.

He learned from the great editorial writers and publishers of that era to be factual and objective in his writings. He had great teachers * * * he learned well.

In 1938, when Hitler was on the march, he sensed the excitement of the time. He won a 6-month assignment as an exchange reporter to Canada * * * under the sponsorship of the Empire Press Union. Arriving in Canada, he worked on the Hamilton Ontario Spectator and the Edmonton Journal. His 6-month stint turned into 19 years. He says he has no intention of leaving Canada, the country of his adoption. He is a Canadian by choice.

During the 1941 blitz he was commissioned in the Royal Canadian Air Force * * * as a public relations officer * * * was sent to the Air Force headquarters in London * * * later promoted to the Northwest Air Command at Edmonton. It was at Edmonton that he met and worked with thousands of American officers and men of the U.S. Air Force. He learned to understand, like, and admire these able men.

This work took him to the Great North country—to the gold fields of Yellowknife, many times over the Alaska Highway to the Normal Wells oilfield in the Arctic Circle that supplied crude through a pipeline to Alaska. He learned their problems. He knows and understands the north. Of the huge gigantic stocks of oil and gas under the lands of Alberta—beyond the wildest dreams of man—yet untouched—possibly as great as the Middle East pools.

His next promotion was to the same position in Ottawa, where he learned how the Canadian Government ticks. He met and knew the great Canadian leaders of that time. He received his honorable discharge as a squadron leader in July of 1945.

Then came his assignment as London correspondent of the seven Canadian Southam papers; sent to their London office; served there 4 years. This gave him a postwar background of the problems of the Commonwealth.

In 1949 he joined the Calgary Herald as associate editor. In 1951 he was appointed acting publisher. In 1955 he was appointed vice president and publisher of the Calgary Herald.

From this background it is easy to discern that he is a man in the early summer of life, unusually well trained, capable, and blessed with vision, plus a wide grasp of world affairs, able to give Albertans a continuing great newspaper service.

Do not be fooled by his serene exterior. He has a deep sense of humor; enjoys a good witty story and tells them well.

In 1958 he was elected president of the Calgary Chamber of Commerce, the highest civic office the people of Calgary can bestow.

He is president of the Calgary Broadcasting Co., Ltd. He is director of the YMCA, the Boy Scouts, the Canadian National Institute for the Blind, the Alberta Motor Association, the Woods Christian Homes, and a dozen other important posts connected with worthy causes. The reason he is a leader is because he is a leader.

He is happily married, the father of two Canadian sons, age 8 and 12 years.

In Seattle 6 weeks ago, I asked him, "Basil, how is it you get along so well with Uncle Sam?" "Jim, it's easy. It is simply like sleeping in a tent with a friendly elephant."

Gentlemen, Mr. Basil Dean, president of the Calgary Chamber of Commerce and a distinguished Canadian—Mr. Basil Dean.

ADDRESS TO WESTERN AIRLINES INAUGURAL BANQUET, CALGARY, ALBERTA, JUNE 2, 1959, BY BASIL DEAN, PUBLISHER OF THE CALGARY HERALD, AND PRESIDENT, CALGARY CHAMBER OF COMMERCE

I hope my fellow citizens of Calgary will not object if I address my remarks tonight principally to our very distinguished visitors from across the border. I would like, if I may, to tell them something about the country which is today proud to have them as its guests.

Sometime yesterday afternoon, our visitors flew over one of the most remarkable phenomena in the history of western civilization. I refer, of course, to the 49th parallel, the western boundary between Canada and the United States. It is remarkable because we pay so little attention to it. In many places, it would be almost impossible to find it without a careful survey. At those points where it is marked, it is marked chiefly by the presence of those very friendly officials performing duties on both sides of it, who, it seems to me, spend most of their time making sure that visitors feel welcome when they move from one side of the border to the other. Neither of us has found it necessary to defend this border for almost 150 years. In fact, I am told that it was necessary for the Governments of the two countries to agree to waive the provisions of a treaty well over 100 years old in order to permit the warships of

our respective nations to move up the St. Lawrence Seaway as part of the opening celebrations this summer. These warships are, of course, armed, and our two countries agreed long since that we would not maintain armed vessels on the Great Lakes.

But although by common consent we minimize, as far as possible, the inconveniences which this boundary line might otherwise create, nevertheless, it is there. When our visitors crossed it, they moved into another country—technically a foreign country, although the words "foreign" and "alien" seem quite inappropriate when you are discussing the relationships between Canada and the United States. This is a different country—different in spite of all the manifold similarities—from the one which lies on the other side of the 49th parallel. We are, of course, very much alike. We are probably more alike than any other two nations on earth, and certainly we can boast with some pride that we get along better together than any other two national neighbors. We share the heritage of the English-speaking peoples. Many of the things which are done differently in Canada from the way they are done in England or Australia or New Zealand, can be traced to the influences of the North American environment. We have both contrived to become independent of the British Government, though by rather different means. You dispensed with them in 1776; we, being either less impatient or more slow-witted, waited until 1867, and even then did not go quite as far. That is why the personal representative of Her Majesty the Queen, in the person of His Honor the Lieutenant Governor of Alberta, is sitting in an honored place at this gathering tonight; and that is why he was saluted with the National Anthem when he entered this room. You see, by 1867 King George III had long since gone to his reward, and by that time it was not necessary for us to take quite such drastic steps as you did.

We are thus in our usual situation of being a half-way house between the United Kingdom and the United States. In recent satirical revue called "My Fur Lady" produced by the students of McGill University in Montreal, one of the characters was made to observe that Canadians spend half their time explaining to the Americans that they are not British, and the other half explaining to the British that they are not Americans, and consequently have no time left to be Canadians.

One thing that should be said about Canada is that there is a good deal of it. There is, in fact, over 3,800,000 square miles of it. The province you are now visiting, Alberta, is in itself quite substantial. I hesitate to say this, considering the origins of some of our visitors, but it is necessary for me to point out that Alberta has 366,000 square miles—or almost, and I say this with trepidation, almost 100,000 square miles more than Texas. Later on this week, you will be visiting Edmonton. Down here, in what we in Calgary like to regard as the balmy south, we always think of Edmonton as a northerly city. But there is a great deal more of Alberta lying north of Edmonton than there is lying south of it. And there is a very great deal of Canada, which few of us I am ashamed to say have ever seen, lying north of the Alberta boundary. And when you place alongside these enormous areas our relatively very small population—only about 17 million—you have one of the clues to the national character of Canada. There are only about four of us to every square mile of territory we have. But of course we aren't scattered evenly over our territory. Most of us live in a narrow ribbon running about 200 miles north of the U.S. boundary; in fact, it was once remarked by a cynical observer that Canada is a nation 3,000 miles long and two railway tracks wide, because naturally most of the

established settlements lie along the routes of the two main transcontinental railways.

You have about 10 times as many people as we have, and your annual production is about 15 times as great as ours. It is only natural, then, that we sometimes feel dwarfed by our great, and wealthy, and thank God friendly, neighbor. And here is another clue to the national character of Canada. We are the next-door neighbors not only of the most powerful nation on earth, but of the most powerful nation in the history of mankind. Because of our proximity, and because of the wealth of social and personal and political and commercial and economic contacts that we have, we think we know a good deal about you; at least we think we know a good deal more about you than anybody else does. And in our hearts, we know that the fact that we are still here, still masters of our own destiny, still politically independent, still a separate nation, with our own institutions, our own culture and our own society, is perhaps the most striking single example of the sincerity of the American belief in freedom and in friendship.

I would like to remind you of some observations made in India a few years ago by our then Prime Minister, Mr. St. Laurent, who was on a world tour. Some Indians were quizzing him about what they described as American imperialism. He said to them, quite simply, "You must remember that I come from Canada. And the existence of Canada in itself is a sufficient denial that the United States is imperialist in the sense that you are trying to make out." I believe it was generally felt in Washington that these observations had been of considerable assistance to U.S. policy in Southeast Asia at the time.

I said a few moments earlier that one of the clues to the Canadian national character could be found in our consciousness of our proximity to such a powerful neighbor. The effects of this proximity are exceedingly complex; they have been the subject of much learned study, and I do not propose to belabor you with any close examination tonight. However, one of the most obvious of them is the influence of the United States upon the way we live. Our standards of living are for all practical purposes controlled by your standards. In the first place, the state of the American economy has a direct and immediate effect on the state of the Canadian economy. In the second place, we tend to take it for granted that whatever in the way of physical, material benefits and the creature comforts you enjoy, we should enjoy too. A worker in the Chrysler plant at Windsor, Ontario, sees no reason why he should not enjoy precisely the same living standards as his exact counterpart in the Chrysler plant just a mile across the river in Detroit.

Now, obviously, any standard of living is the product of a combination of people, skills, and resources. We have far fewer people. And this yearning of Canadians, accentuated by the fact that we are exposed constantly to all the reflections of your way of life as expressed in television, movies, magazines, and so on, to enjoy the same kind of material comforts that you do, exerts a constant pressure upon us. It always seems to me extraordinary that we come as close as we do to matching the kind of life that citizens of the United States are able to enjoy. As you probably know, our living standards are second only to yours in the whole world.

But this is not so easily achieved as it might appear. We depend, far more than you, on trade with the rest of the world for the living standards which we enjoy. Perhaps a very few figures will illustrate what I mean.

Last year, the gross national product of the United States was \$437 billion. Of this, you sold abroad by way of goods and services,

just over \$22 billion, or near enough 5 percent. You imported under \$21 billion worth of goods and services, or again, roughly 5 percent.

But contrast this picture with ours. Our gross national product in 1958 was \$32 billion. Our exports of goods and services were slightly under \$5 billion, or about 15 percent; our imports were slightly over \$5 billion, or again about 15 percent. In other words, exports are three times as important to us as they are to you.

To put it another way, you had to export only \$131 worth of goods for every American. We had to export nearly \$300 worth of goods for every Canadian. To sustain our standard of living, we had to find the foreign currency, most of it U.S. dollars, to buy \$300 worth of imports for every Canadian; you found it necessary to import only \$123 worth of goods for every American.

Our trade with the United States alone works out this way: The average American bought \$17 worth of Canadian goods last year; the average Canadian bought \$210 worth of American goods last year.

The most important consequence of this contrast is that while, to a considerable degree, the economy of the United States can afford to live on the domestic market, ignoring markets in other parts of the world, Canada cannot do any such thing without running the risk of an unprecedented economic disaster; and since our price structure is very closely geared to yours, of necessity, we must always face the problem that while you might price yourselves out of many world markets with only minor economic consequences, the same results imposed on the Canadian economy would spell for us something not far short of ruin. That is the chief reason why economic policies pursued in Washington are invariably viewed from this side of the border with great apprehension. What may often seem to the U.S. Government to be a minor trade measure designed to sustain an American industry from temporary dislocation by surpluses in the market may quite often result in the severest possible consequences to a similar Canadian industry which has been relying for its welfare on exports to the United States. This has happened in the recent past in quite a number of instances, and I, therefore, hope that you will endeavor to be as patient with us as you can when we sometimes seem to you to be making a lot of fuss about nothing.

I think, in all fairness, I should add that many of these problems would be a great deal worse were it not for the unfailing sympathy and understanding with which representations from the Government of Canada on such matters are received by your Government in Washington. Whatever happens, we can always rest assured of one thing—that the United States is not really trying to hurt us, and if we sometimes do get hurt, as we do, it is because that aspect of the matter had never occurred to anyone involved in making a particular decision.

From the beginnings of our history in this country, we have had to face the problems of a curious and inconvenient geography. Many of these problems would disappear if we had more people, but with the number of people we have, they continue to be severe. From the beginnings of Canada's existence as an independent member of the Commonwealth, we have had to make sacrifices in the interests of the political and economic coherence of our country. We have had to endeavor to force our trade into east-west patterns within Canada, because for a variety of reasons, some of them involved with American economic policy, and others involved with our own sense of nationhood, it has not been possible for trade to follow the natural pattern of movement north to

south and vice versa. In this sense, it is a paradox that Canada exists at all, and it is probably true to say that it exists only because a succession of Canadian statesmen, from our first Prime Minister Sir John A. MacDonald on down, have been determined to make it work, and have been supported in this resolve by the Canadian people.

And although, as I said earlier, in many respects we live very much the way that you do, as you have seen for yourselves, there are some subtle differences in the way we go about things which are important to an understanding of the relationships between us. While, in a very general sense, your political institutions and ours develop from a common root, the British parliamentary system, the course of history has caused them to develop on somewhat different lines. You have a written Constitution, in which the divisions of authority among the three main branches of government are very carefully defined, and you have a Supreme Court whose primary function is to make sure that the dividing lines between the three branches are kept clearly defined. We are not quite so precise in these matters. We have a written Constitution of a sort called the British North America Act. But all it really does is to define the areas in which the Federal Parliament may legislate on the one hand, and the areas in which the provincial legislatures may legislate on the other hand. Within these areas, each legislature is supreme and sovereign, and may enact any laws it chooses without interference by the courts. We have nothing, so far, remotely resembling your Bill of Rights, although the present Government of Canada is endeavoring to enact something of the kind. We think we enjoy pretty much the same degree of freedom that you do, but the difference is that our freedoms aren't spelled out in statutory form as yours are. We enjoy them, in the main, by virtue of precedent and tradition going back into the roots of the Anglo-Saxon heritage which both our countries share.

One of the aspects of this heritage which I am quite sure we have inherited from Great Britain is the talent for muddling through. For example, this British North America Act to which I have just referred, was originally a statute of the Parliament in Westminster establishing the Dominion of Canada. Until a few years ago, if we wanted to amend it, the procedure was for the Canadian Parliament to pass a resolution and then ask the Houses of Parliament in London if they would be good enough to make the necessary amendments. This they invariably did with a good deal of courtly ceremony. Ten years ago, we decided that it did not befit our style and dignity as a sovereign nation to have to go to some other country to get our Constitution amended, so the Canadian Parliament made a declaration that henceforth we intended to amend the Constitution ourselves. What we had unfortunately forgotten was that the British North America Act affects both Federal and provincial rights, and obviously, therefore, the provincial legislatures must have something to say about amendments. For the last 10 years we have never succeeded in working out any machinery for amending our Constitution, and what we would do if it became essential to amend any part of it, nobody knows.

Pretty much the same set of circumstances surrounds the question of a Canadian national flag. For some years after we became a sovereign Dominion we simply used the Union Jack, which, of course, is also the flag of the United Kingdom. Over the succeeding decades, however, a practice grew up of flying the Red Ensign—that is, the red flag with the Union Jack in one corner and the

Canadian coat of arms in another corner—as the flag of Canada. A few years ago our Government announced that it would be appropriate to fly this as the Canadian flag until such time as we had designed a proper flag of our own. Ever since that time we have been arguing about what sort of flag we ought to have, and we haven't come anywhere near to settling the argument yet. However, nowadays we all fly the Red Ensign, at least in English-speaking Canada, and no great harm seems to have come of it.

Then, too, we have had a little trouble deciding upon a national anthem. Whatever else Canadians may disagree about, they are all agreed on their loyalty to the Crown, so we sing or play "God Save the Queen" on all ceremonial occasions. We also have another anthem, a sort of semiofficial national anthem, "O Canada," which you have already heard sung. The one drawback to this one is that at the moment it has at least three different sets of words, and we cannot really agree on which set of words is the proper set. However, we don't feel too badly about this, since we understand that it took you until 1931 to declare that "The Star-Spangled Banner" was your official national anthem; and since you had presumably been thinking about this ever since 1776, or at least since 1812, when Francis Scott Key wrote it, we feel we have plenty of time to spare, since we could scarcely have been expected to get started on the problem until 1867, and, on the same basis as yours, this would take us until the year 2040 before it could be argued that there was any real urgency about it.

Now, as you will have observed, this has been a very disjointed and superficial study of just one or two aspects of the country you are visiting and of its relationships with your own country. I have not, for example, even touched on the large and sometimes difficult problem of continental defense, and I have not touched on it for one reason which seems good to me, and that is that in defense there is no doubt in my mind whatever that we stand or fall together and, in the light of the job which the defense forces of our two countries are required to do, any private discussions we may get into about the best way of doing it, or who is to be in charge, are exceedingly insignificant.

The PRESIDING OFFICER. Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to act on nominations beginning with "New Reports."

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

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McNAMARA in the chair) laid before the Senate messages from the President of the United States submitting sundry nomi-

nations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. JACKSON. Mr. President, from the Committee on Armed Services, I report favorably 2,702 nominations for the Regular Army, the Marine Corps, and the Navy and Naval Reserve. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

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

The nominations placed on the Executive Calendar are as follows:

Walter H. Abbott, and sundry other officers, for appointment and promotion in the Regular Army of the United States;

Frank J. Kobes, Jr., for appointment as professor of physical education, U.S. Military Academy;

Donald J. Conlon, and sundry other Reserve officers, for appointment in the Medical Corps of the Navy;

Julian R. Abbott, and sundry other Naval Reserve aviators, to be lieutenants (j.g.) in the Navy;

Allan S. Chrisman and Calvin B. Galloway, officers in the Medical Corps of the U.S. Navy, for permanent promotion to the grade of rear admiral;

Bernard D. Garrett, U.S. Navy, for temporary promotion to the grade of lieutenant;

Robert M. Stanford and William D. Munsey, U.S. Navy, for permanent promotion to the grade of lieutenant (j.g.);

Wayne E. Spainhour, and sundry other officers, for permanent promotion in the Navy; and

Benjamin B. Manchester III, and sundry other officers, for permanent appointment in the Marine Corps.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, beginning with "New Reports."

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

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

Mr. JOHNSON of Texas. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

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

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

THE STATE OF THE NATION'S ECONOMY

Mr. KEATING. Mr. President, yesterday I called the Senate's attention to the continued economic improvement disclosed by the Labor Department's latest report on employment and unemployment.

This report impressively underscored the strength of the Nation's continuing economic advance. It showed that more Americans are now at work than in any May in our history. It showed that the number of unemployed again dropped. It left no doubt that our country has ward off any danger of an economic setback and is now in the full swing of national prosperity.

The Federal Reserve Board recently rounded up a variety of evidence on the recovery. This summary shows how broad and deep the upturn really is. I ask unanimous consent that this release appear in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

THE WRONG DIAGNOSIS OF THE RECESSION

Mr. KEATING. As we note the strength of the economy now, I think we should recall the situation of a year ago. We should remember some of the grim forecasts made then and the panic policies that were called for by men who had little faith in the economy's basic strength.

We do this not in a spirit of recrimination or of "I-told-you-so," but rather so that we may learn some lessons from experience.

One pessimist stated last June:

It appears that the recession is now beginning to feed upon itself. It is at this stage that the downturn—unless checked by immediate action—could sink deeper and become a prolonged depression.

Even this year, in March, one Senator from the other side of the aisle stated:

The latest unemployment statistics indicate that we are fast approaching last year's record postwar level.

And again—

Most facts point to an even further deterioration.

And still again—

It should be apparent to us now that glowing predictions about recovery do not produce recovery. It takes a reasoned plan of attack on recession to overcome it.

It is perhaps a little uncomfortable for some to recall the forebodings of gloom and doom which were spread around a year ago and even more recently.

Leon H. Keyserling, former Chairman of President Truman's Council of Economic Advisers, stated last year:

The paralysis of indecision and inaction, in the face of the most serious economic decline in a quarter-century, has even deeper meaning than the statistics themselves.

I repeat, I am recalling these statements of a year and less ago not by way of saying "I-told-you-so," but because I believe we have some important lessons to learn from our experience of the past year. I would like to spell out some of these lessons.

THE WRONG PRESCRIPTION FOR CURING THE RECESSION

The only remedy for the hopeless situation of last year, according to these purveyors of pessimism, was to be found in massive Government intervention to shore up the weakened and demoralized economy. Furthermore, many seemed quite certain that only massive Government action could cope with the crisis. One Senator stated on the floor:

We have an economy which is in a decline, and we have the makings, come the fall and winter months, of an even greater unemployment problem.

I feel the month of June is the time to act in order to prevent that kind of ugly reality coming about in December, January, and February.

Another Senator advanced the view that only a major Government stimulus could bring about recovery. He said:

Mr. President, in order to achieve recovery quickly, we need to stimulate the economy in a major way. At the moment, there is nothing in the picture which would stimulate the economy enough.

We should therefore act, and we should act through a major tax cut.

Some urged a major tax cut. Others proposed an orgy of public-works-type spending—community facilities, area redevelopment, various housing programs and much else.

Some of the all-is-lost set deplored the tendency to consider a major tax cut or a broad job works program as alternatives. They wanted both—despite a deficit of \$13 billion already in the works.

Mr. Keyserling urged a tax cut of \$6 or \$7 billion, but added that this would not be enough, that we would also need to step up spending greatly. He said:

The immediate injection of several billion dollars into the consumer spending stream through appropriate tax reduction could perform at best only a small part of the task. Large immediate increases in Federal spending are also essential.

Of course, the story about what has happened since then is familiar to all of us.

Gross output has regained all the lost ground and surged on to new highs. Incomes are at record levels. Employment is up. Unemployment is down. Paychecks are higher, while prices are stable.

Furthermore, virtually all the advance in income and output represent real and permanent advance in job-making private industry. The upturn is not artificially stimulated by temporary Government action. The Government adhered to its role of stepping stone and not stumbling block. As a result, the recovery is all the more genuine and meaningful.

THE GOOD NEWS IS GREETED WITH SILENCE

But among those who advocated massive Government action, the good news

has not been received with anything like the clamor which greeted the bad. The onset of recession was greeted with alarums and flourishes; the onset of recovery is met with silence.

When information on the March employment pickup was released, there was an extraordinarily ill-timed mass-meeting on unemployment going on. The response to the good news was grunts that times were still bad and we should all stop smiling anyway. One would think that the news of more jobs would be a cause for cheers.

Last month, when almost everyone was so greatly pleased with the April employment results, one Democratic Senator gloomily took the floor here "to sound a very short note of warning"—the theme of which was that things were not really so good as they seemed.

Mr. Roscoe Drummond had a recent article which made some important points about the current economic outlook. He pointed out:

1. The fiscal policies of the administration are looking better than ever.

2. The President's legislative program is going to fare better in Congress.

3. The strength and resilience of the American economy are enhancing our position abroad as well as giving the lie to the Communist fixation that capitalism just has to curl up and die.

Mr. President, I ask unanimous consent to insert in the RECORD, at the conclusion of these remarks, the full text of Mr. Drummond's column. I also ask to insert a column by Mr. J. A. Livingston, which pointed out that recent statistics "indicate that the 1958-1959 recovery has assumed classical dimensions."

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

(See exhibits 2 and 3.)

THE LESSON TO BE LEARNED

Mr. KEATING. Mr. President, the point of all this is not that the pessimists are poor prophets. The art of business and economic forecasting—art not science—is very tricky. Many of the country's outstanding economists were wrong in calling the turning points of this last recession.

No one is accusing the pessimists of being worse forecasters than the rest of us.

However, there is one important lesson to be learned from our experience of the last year or two. It is that we should never underestimate the internal strength and resilience of a free dynamic economy.

The peddlers of doom last year so much as said plainly that recovery required Government action. Unless the Government intervened massively, they said, we could not hope for more than a sluggish bottoming out.

In fact, of course, vigorous recovery took place primarily in the private sector, consumers, and businessmen. The upturn was helped by a selected list of strategically important but limited Government actions—much less Government action than many spokesmen of

the Democratic Party said was a minimum necessary to initiate recovery.

The mistake is not one of failure to predict the future.

The mistake is the panic-driven advocacy of unwise public policies, instead of sober recognition that industrial recovery must take place in permanent job-making private industry.

In attempting to appeal to popular opinion, I am convinced that many political leaders too often sell the public short. They too often underestimate the wisdom and maturity of the public.

Only recently the Democratic Advisory Council set up to formulate and enunciate Democratic policy stated bluntly:

The principal reason for the disgracefully high amount of unemployment is the failure of the Republican administration to use the great power of our Government as an instrument of economic growth.

This statement was made on April 6 of this year.

Government has a role to play—no one is disputing that these days. But there is still a wide gulf between those who see Government as the only source of economic growth and those who see Government as a stimulator of free market economic activity.

There is no question but what the latter view has been vindicated by developments of this last year.

WHAT IS NEEDED TO HELP THE UNEMPLOYED

I think I ought to make one thing quite clear. Nothing in these remarks should be construed as a lack of concern for those Americans who are still out of work.

No one will deny that even temporary, involuntary unemployment, whatever the cause, is a distressing individual and social problem. No one will deny that the Federal Government has important responsibilities in helping to promote high levels of employment and output.

But it is another matter to use these obvious truths to promote public policies which are not likely to solve the problem, but are certain to create serious new problems and even do damage to our system of political and economic freedoms.

There are still too many people unemployed. But let us recognize what the nature of this unemployment, for the most part, is.

In most cases specific situations have created particular jobless problems. There are coal miners in towns where the mines have run out. There are unskilled manual workers in towns where factories have automated and white-collar jobs are available in quantity. There are people who have not been able to adjust to economic change. There are many other specific jobless problems like these.

The important point is that the remedy for this problem must be a selective approach of specific measures geared to specific situations—not the general shotgun of deficit spending.

When we have severe nationwide unemployment all along the line, then Federal budget deficits can stimulate total demand and perhaps speed up recovery. But that generalized approach will not work under today's conditions.

I think we need to give some sober study to finding ways and means of reducing this specialized kind of joblessness—enhancing the flexibility and speed of adjustment of the economy—equipping people with the education and skills needed to eliminate joblessness at its source.

But it is not my purpose at this time to explore that question. That is a different matter altogether from the recession, which stole away leaving so many vocal partisans with their mouths still open and the policy proposals still pouring out.

A CLOSE LOOK AT THE RECORD

This is the second time in 5 years that the strength of the economy has confounded its critics. Let us take a close look at a revealing picture of what happened the last time.

In early 1955, we were recovering from the 1954 recession, as we are now from the 1958 recession.

During the year 1955, we attained full prosperity due to vigorous recovery in the private sector, not due to Government action. Yet in early 1955, the men of little faith, obsessed with the economic death wish, many of them the same as the 1958 beat set, predicted that we could not recover fully without vast Government intervention.

For illustration, consider in detail the blueprints put together then by the Conference on Economic Progress. The CEP is a research organization led by prominent Democrats like Leon H. Keyserling, Thurman Arnold, and others.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing where the economy stood at the end of 1954; the goals for 1955, as set by the Conference on Economic Progress in their program of massive Government intervention; and the levels actually reached in 1955, without that program.

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

The 1954-55 recovery
(Billions of dollars)

	Actual levels, 4th quarter, 1954	Conference on Economic Progress prescribed goals, 4th quarter, 1955	Levels actually attained, 4th quarter, 1955
Gross national product	370.8	390.0	408.9
Consumption expenditures	243.2	253.4	263.3
Private investment	52.3	55.7	67.6
Government expenditures	73.0	80.5	77.1

Mr. KEATING. Mr. President, from this table, we see now we actually did considerably better than the goals set up as targets by the CEP. Also we see that the increases came in private consumption and private investment. Government spending was actually less than what the CEP prescribed for the lower GNP level.

Also we see that the 1955 boom, like the present one, was achieved without recourse to the many, many Government programs which the CEP prescribed.

Now, Mr. President, let us bring this story up to date.

Last June, this same organization, the Conference on Economic Progress, brought out another elaborate brace of charts and blueprints. These summed the situation up by saying that to have full employment in 1959 we would need to reach an output level of \$472.6 billion with an employment level of 64.9 million jobs. The CEP wrung its hands and pointed out that this meant lifting output by \$45.5 billion over the first quarter of 1958. This we could never manage, the CEP warned, unless we cut taxes by \$6 billion or \$7 billion—vastly expanded the spending budget—federalized unemployment compensation—subsidized the farmers even more, and otherwise ran around, as they put it, “doing something.”

In point of fact, the record shows that in the first quarter of 1959 alone we are producing at an annual rate of \$467 billion. We are already very close to the target level set up by CEP. There is no question that for the year as a whole we will greatly exceed that target.

Most encouraging, the recent employment figures show that there are more than 66 million persons at work already.

This means that we will better the 64.9 million target, even if the recovery ground to a virtual halt for the rest of the year, a most unlikely prospect, as even the most extreme pessimists must by now be ready to concede.

Yet look at how little of the anti-recession crash programs were adopted. We had no major tax cut; we had no vast increases in Federal spending; many specific recommendations were ignored—all of which had been labeled as absolutely essential to recovery.

THE LESSON IS STILL NOT LEARNED

We are riding the crest of a tremendous recovery. Worries about the good health of the economy are fast becoming the exclusive concern of those with a professional, political, or personal stake in keeping things all stirred up.

Ever since the strength of the recovery has been in full view, however, there are those who seem not to have learned the obvious lesson.

Just before the March employment figures were published—after 10 months of recovery—the Democratic Advisory Council issued a blast about the “critical and inexcusable level of unemployment.” The blast went on to say:

This has been tolerated all too long. With unemployment approaching 5 million . . . immediate corrective steps must be taken.

Yet one leading Democratic spokesman on economic affairs, the distinguished senior Senator from Illinois [Mr. DOUGLAS], stated in a book entitled “Economy in the National Government,” published in 1952, that deficit financing should not be used when unemployment is below 6 percent of the labor force—which today would mean 4 million people unemployed.

In this book, the distinguished Senator stated:

I submit as a rough judgment that probably we should not run a governmental deficit unless unemployment exceeds 8 percent and, indeed, possibly slightly more than that.

When unemployment is between 6 and 8 percent, the governmental budget should at least balance and therefore be neutral in its effects. When unemployment is over 8 percent, we should have a deficit; but when it is under 6 percent, there should be a surplus.

In May unemployment was 4.9 percent of the labor force, or 3.4 million persons.

Two months ago, we were asked to set up—on a rush basis—a Commission on Unemployment Problems. This Commission was to make a quick 60-day study and report back to us so we would know what to do about unemployment.

The majority leader told us on April 10:

I am asking that this bill be brought up today because there is a time factor of great urgency.

The Senate passed the bill that very day.

I hope it will not be considered irrelevant or irreverent if I observe that as of today—Thursday, June 11, 1959—exactly 62 days have passed since that time. Nothing has been heard from the House on the 60-day Commission. The job picture continues to improve. In fact, the whole matter of the Commission is shrouded in secrecy.

We are very quickly getting back down to the "frictional" level of unemployment. I hope we shall soon have no excessive unemployment.

Let us recognize and acknowledge the strength of the recovery. Must we have this preaching that doom is still at hand, in the face of all the evidence to the contrary?

What will it take to restore confidence?

Why are we so reluctant to accept and overwhelmingly endorse the good news, when we were so quick to point out and dramatize the bad?

I am not calling anyone a poor prophet. The problem is the lack of faith in the American economy.

To some people, recovery without massive government action seems inconceivable. These people have little faith and less judgment.

Our whole economic history is one of dynamic growth through the free market.

We stand now at the threshold of a half-trillion-dollar economy.

If we have the confidence in our free institutions which the record demonstrates they deserve, we have a tremendous future before us.

We have the opportunity to bring to millions of American families the higher living standards, the greater security, the greater measure of human dignity that are made possible by our expanding productive power and purchasing power.

The times demand policies geared to the strength, not the weakness, of our economy.

EXHIBIT 1

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, NATIONAL SUMMARY OF BUSINESS CONDITIONS

Economic activity continued to increase in April. Industrial production rose further and housing starts remained at an exceptionally high level. Gains in employment were widespread and the decrease in unemployment was considerably more than seasonal. Consumer incomes and buying were at record levels. Commercial bank

loans and the seasonally adjusted money supply increased further. Wholesale prices of industrial commodities continued to advance.

INDUSTRIAL PRODUCTION

The Board's seasonally adjusted index of industrial production advanced two points in April to 149 percent of the 1947-49 average. Activity in the durable goods industries rose substantially and equaled the advanced level of early 1957. Output of nondurable manufactures also increased and minerals production continued to show little change. Utility output of electricity and gas increased further to 262 percent of the 1947-49 average.

Gains were widespread among durable goods industries in April. Output of building materials was in record volume. Steel ingot production showed a slight, contras- seasonal rise to a new high, and was 93 percent of capacity. Expansion in business equipment output continued, with significant gains in industrial machinery and motortrucks. Production of consumer durable goods—furniture, television, and autos—also advanced. Schedules for May indicate a further rise in auto assemblies.

Output of textile, paper, and chemical products continued to expand in April, but activity in the rubber products industry was curtailed by work stoppages. Production of crude oil and coal changed little while activity increased in other mining industries.

CONSTRUCTION

Private nonfarm housing starts in April were at a seasonally adjusted annual rate of nearly 1.4 million units, unchanged from the advanced rate in March. Total new construction put in place declined somewhat from the record March level, to a seasonally adjusted annual rate of \$53.9 billion. Commercial building activity rose further but public highway, private residential, and industrial construction declined.

EMPLOYMENT

Seasonally adjusted nonfarm employment increased 370,000 in April and, at 51.8 million, was 700,000 below the prerecession high in the summer of 1957. While gains in durable goods manufacturing and construction accounted for more than half the April rise, employment also expanded in most other activities. Average weekly earnings of factory workers increased again to a new high as both average weekly hours and hourly earnings continued to rise. Unemployment declined sharply further, to 3.6 million, and the seasonally adjusted rate was 5.3 percent of the civilian labor force compared with 5.8 percent in March.

DISTRIBUTION

Seasonally adjusted retail sales, which had increased 2 percent in March to a record high, changed little in April and were 9 percent above a year earlier. Sales at automotive, furniture, and appliance stores rose further, while sales at most other groups of retail stores were maintained at advanced levels. Total retail inventories at the beginning of April were unchanged from both a month and a year earlier and were somewhat below the high reached at the end of 1957.

COMMODITY PRICES

Wholesale prices of industrial commodities continued to advance in April and early May. Rising business orders and activity were reflected in further increases in prices of lumber, textiles, and rubber. Prices of primary metals changed little, but increases were reported for some fabricated products. Average prices of farm products and foods continued relatively stable.

BANK CREDIT AND RESERVES

Total commercial bank credit increased about \$2.5 billion in April. Loan growth accounted for about three-fourths of the rise.

The seasonally adjusted money supply—demand deposit and currency holdings of businesses and individuals—increased \$700 million further.

Member bank borrowings from the Federal Reserve over the 4 weeks ending May 13 averaged \$700 million and excess reserves \$465 million, both somewhat higher than in the previous 4 weeks. In the recent period reserves were absorbed mainly by gold and currency outflows, and were supplied principally by Federal Reserve purchases of U.S. Government securities and a reduction in required reserves.

SECURITY MARKETS

Common stock prices declined in early May and then advanced to new highs. Between mid-April and mid-May, bond yields generally rose further while the market rate on 3-month Treasury bills declined—from 3 to 2¾ percent. In early May the Treasury auctioned for cash \$3.5 billion of December tax and special April bills. On May 15 it refunded a maturing certificate with a 1-year certificate to yield 4.05 percent.

EXHIBIT 2

[From the Washington Post, May 18, 1959]

U.S. PROSPERITY—RECOVERY AND POLITICS

(By Roscoe Drummond)

The news of the Nation's resounding recovery should not be limited to the financial pages. It has the most far-reaching political importance—at home and overseas, now and into the elections of 1960.

1. The fiscal policies of the administration are looking better than ever. They are being justified by events. There is no better test. The refusal of the President and Secretary of the Treasury Robert Anderson to panic in the face of the recession and to attempt frantically to manipulate the economy by lower taxes and deficit spending is now showing itself demonstrably sound. The whole country can see it.

2. The President's legislative program is going to fare better in Congress. To have been right on the recovery means that the Democratic congressional leaders will not find it easy to refuse the President or override him on other matters. The principal need is not how to deal with the problems of the recession but how to deal with the problems of prosperity—and here it is easiest for the administration to take the initiative.

3. Just as the recession helped to strike down the Republicans in the 1958 election, so the oncoming prosperity will greatly enhance Republican prospects next year in both the congressional and presidential campaigns. The outlook is that by mid-1960 the economy will be producing at the rate of a half-trillion dollars (\$500 billion) gross national product. This should enable the President to keep the budget in balance, which his critics said would be impossible, and should pay large political dividends in 1960.

4. The strength and resilience of the American economy are enhancing our position abroad as well as giving the lie to the Communist fixation that capitalism just has to curl up and die. It isn't doing any such thing. And both the raw-material-producing countries and the more industrialized nations in the free world are benefiting.

The wisdom of U.S. economic policies is winning new praise. One illustration is this remark from a recent speech by Heathcoat Amory, British Chancellor of the Exchequer:

"I am glad to have this opportunity of paying tribute to the calm and enlightened U.S. policies which did so much to prevent the spread of serious recession throughout the world. U.S. production has now fully recovered and continues to expand beyond previous peaks. In Western Europe, also, the trend is now upward; and indeed the recession in production has never amounted

to more than what will appear in retrospect as a ripple on the trend."

All this does not mean there will be no deficiencies in the economy despite the high levels of prosperity. There will be. We face the prospect of considerable unemployment—perhaps five percent—in the midst of the Nation's highest employment. This is, in part, a technological unemployment brought about by shifting consumer tastes and new automation. It is visible in Pennsylvania and West Virginia coal towns, in New England textile communities, and some heavy-industry cities. There is also likely to be displeasure among farmers who experience declining hog prices.

Secretary of Labor James Mitchell has been rightly warning his own party not to neglect these valleys of trouble in our prosperity. If they are not neglected, there can be no doubt that the Republicans will go into the 1960 election with the strongest possible domestic argument in their political quiver—unprecedented national prosperity.

EXHIBIT 3

[From the Washington Post, May 17, 1959]

WILL BOND MARKET ABORT RECOVERY?

(By J. A. Livingston)

"Then turn not pale, beloved snail, but come and join the dance,

Will you, won't you, will you, won't you, will you join the dance?

Will you, won't you, will you, won't you, won't you join the dance?"

(Mock Turtle's song, "Alice in Wonderland".)

A year ago, the proposals, panaceas, and pleas to President Eisenhower were loudest: Do something to stop the recession. Suspend the withholding tax. Reduce the income tax. Do away with the automobile excise tax. Spend money on public works. Do something.

Today, as we look back, we can say that the clamor was loudest when the recession had already ended. The latest economic returns—the April statistics—indicate that the 1958-59 recovery has assumed classical dimensions. President Eisenhower and his advisers now look very good for resisting the clamor.

First, housing improved. Then production and retail sales. Personal income hardly dropped at all. The snail was employment. Unemployment stayed stubbornly high, and George Meany, president of the AFL-CIO, accused the administration of indifference. Only last month, spurred by Walter Reuther, head of the United Auto Workers, the AFL-CIO held an unemployment rally in Washington. In that very month, the snail joined the advance.

FIFTY-THREE OUT OF EVERY ONE THOUSAND WORKERS

The 1.2 million March-to-April increase in jobholders (to a total of 65 million) makes Reuther's unemployment rally as anticlimactic and ill timed as the do-something demands 12 months ago. More persons were at work last month than in any April in history. Unemployment dropped by 735,000, to 3.6 million and is now at the lowest level since December 1957. A year ago, 75 out of every thousand workers were out of jobs. That proportion is now down to 53 per thousand.

The unemployment problem, though alleviated, isn't solved. From 1955 to 1957, only 43 workers out of every thousand were jobseekers. We have pockets of distress in Detroit and other auto centers, where the upturn in auto output has not absorbed all available workers; in coalmining areas, which suffer from a long-term decline in demand; in some New England textile areas, which have gradually lost out to the South and synthetics.

This unemployment results from technological changes and economic shifts. It doesn't respond readily to a classical business upturn. Remedies must be specific—either to bring industry to where unemployment is or to persuade the unemployed to move away to where jobs are.

ANNIVERSARY COMPARISONS

The present recovery is now a year old. The Federal Reserve Board's industrial production index, the most sensitive overall indicator of business, has advanced for 12 consecutive months. In April, it rose 2 points to an all-time high. It's 18 percent above a year ago.

Yet, except for autos and housing, this recovery has been more sluggish than the recoveries of 1949-50 and 1945-55. The following table measures year-later gains for eight important indicators:

[In percent]

Indicator	1949-50 ¹	1954-55 ²	1958-59 ³
Production.....	29	14	18
Employment.....	5	5	3
Manufacturing employment..	15	6	5
Unemployment.....	-47	-31	-29
Personal income.....	16	8	6
Retail sales.....	10	11	9
Housing starts.....	NH	7	41
Auto output.....	22	60	80

¹ October to October.

² August to August.

³ April to April.

The advance in business has been duly celebrated in Wall Street. The stock market average has again pushed to a new all-time high. Yet, about as many stocks hit new lows as hit new highs. This is a bull market with reservations.

WATCH GOVERNMENT

The reason for the reservations is the droop, droop, droop in Government bond prices. Today, Secretary Anderson couldn't sell a long-term Government bond issue if he wanted to. Long-term Treasuries sell to yield more than the 4½ percent coupon Congress has authorized.

This affects all bonds—all borrowers. The comptroller of New York State turned down bids for throughway bonds. The 4.3 percent interest cost was too high. Will other States and municipalities defer financing—and spending? Will a mortgage-money shortage hit the housing market?

New dwelling units started during April were at a near record annual rate of 1,390,000. Such a level requires lots of mortgage money. Will insurance companies and savings institutions decide they can do better in bonds than in mortgages?

This is still a young recovery—12 months. The average recovery during the last 100 years has been 30 months. Will the present expansion be aborted by money market conditions? The Government bond market has become a significant business indicator. Watch it.

EXECUTIVE SESSION

Mr. KEATING. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

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

The PRESIDING OFFICER (Mr. Moss in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PAYMENT RECEIVED BY WISCONSIN FARMERS

As in legislative session,

Mr. WILEY. Mr. President, a moment ago I was in the anteroom, where I talked to some of my constituents who are milk farmers. It is strange that under Government milk-marketing orders, farmers living in the areas which adjoin the city of Washington, D.C., can receive as much as \$6 a hundred for the milk they produce, whereas Wisconsin farmers who have been shipping milk under orders to Chicago, receive an average of approximately \$3.40 a hundred. This matter requires immediate consideration by the Department; and I shall take steps immediately to see what can be done about it.

THE UNIVERSITY AND FOREIGN RELATIONS—ADDRESS BY HON. JOHN MOORE ALLISON, AMBASSADOR TO CZECHOSLOVAKIA

As in legislative session,

Mr. HRUSKA. Mr. President, on Saturday, June 6, the University of Nebraska held its 88th annual commencement.

The speaker for the occasion was John Moore Allison, currently U.S. Ambassador to Czechoslovakia.

Ambassador Allison is an alumnus of the University of Nebraska. Since his graduation there in 1927, he has been in the Foreign Service of the United States, having served in many capacities and in many countries all over the world.

Among his many important assignments were those of being Deputy to Secretary of State John Foster Dulles in negotiation of the Japanese Peace Treaty in 1951; Assistant Secretary of State Far East Affairs 1952-53; Ambassador to Japan 1955-57; Ambassador to Indonesia 1957; Advisor to U.S. Delegation to United Nations Assembly in 1946.

In 1952, his alma mater honored him by a Distinguished Service Award. On the occasion of the exercises held last Saturday, there was conferred upon him an honorary degree of doctor of laws.

The subject of Ambassador Allison's speech was "The University and Foreign Relations."

Mr. President, I ask unanimous consent that its text be printed in the CONGRESSIONAL RECORD.

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

THE UNIVERSITY AND FOREIGN RELATIONS (Address by John Moore Allison)

Chancellor Hardin, members of the class of 1959, fellow Cornhuskers, it is customary for speakers to express pleasure at being asked to address any particular audience and perhaps in most cases those expressions of pleasure are sincere. As an alumnus of this university I do not believe it necessary for

me to gild the lily in this respect. It seems to me that any graduate of a university would not only be greatly pleased at being invited to give the commencement address at his old school but that he would feel greatly honored that the university should wish him to do so. I am pleased and I do consider it a great honor to be here today. As a member of the class of 1927, I welcome the members of the class of 1959 into the ranks of university graduates. I congratulate you on your achievement and I wish for you not only success, but, more important, satisfaction and happiness in whatever field your future may lie.

I do not intend to talk to you this morning in any manner other than as a fellow graduate who wishes to share with you some of the conclusions he has reached after 32 years in the field of foreign relations, of what contribution the university and you as university graduates can make in this area which has become of such vital importance to the future welfare of our people and the peoples of all the world.

It was not always so. Prof. Robert Ferrell in a recent history of American diplomacy points out that it was not until the middle of the 20th century that foreign relations became "the central problem of the great Republic of the new world." But today it certainly is and it casts its shadow on all other fields of activity which may follow. What will be our situation in another 30 years is difficult to visualize. I know that to you members of the class of 1959, 30 years is a long time to look ahead, but when I look back at what has happened in the 32 years since a lenient faculty turned me loose on the world as a brandnew bachelor of arts, it is difficult to set a limit to what the next 30 years may see.

When I was graduated a tall, blond young man named Lindbergh was still making preparations for a solo, nonstop flight across the Atlantic. Today, seven of our Nation's finest young men are in training for a journeying to outer space and with every expectation of coming back to tell us all about it. My coming from Prague, which I left only little more than a week ago, to talk to you today is considered commonplace. Thirty years ago it would have been something to talk about. When one of you from the class of 1959 comes back in 1989 to give the commencement address, is it unreasonable to suppose he may come from the moon?

Since 1927 we have gone through economic depressions and upheavals, a devastating World War, the advent of the atom as a weapon, and the beginning of its use for peace and the advancement of man instead of for his destruction. We have seen the establishment of the United Nations, which, although sometimes creakily, nevertheless functions and is helping in many diverse ways every kindred and tongue and people to learn to work together for good. During this same period our country has been thrust into the forefront of world affairs with responsibilities, obligations, and opportunities reaching into every corner of the earth. Today it is almost literally true that what you or I do in Lincoln, or North Platte, or Grand Island has a direct effect on what happens in Manila, Djakarta, or Tokyo to say nothing of London, Berlin, and Moscow. And the reverse is also true.

When I left the university in 1927, Dr. Norman Hill had but recently arrived as the first full-time professor of international relations. The only Government agencies then normally considered as being involved in foreign relations were the State Department and the Bureau of Foreign and Domestic Commerce of the Department of Commerce. In 1949, the Hoover Commission reported that of the 59 units in the executive branch of the U.S. Government, 46 were involved in foreign relations. During 1948, in 390 international conferences

only 1 official delegate out of 4 was a member of the State Department and 27 percent of all representatives were not members of any Government agency at all. In 1947, some 435,000 Americans traveled abroad, exclusive of Canada and Mexico; in 1957, the number was close to 1,500,000. When I joined the Foreign Service in 1930 there were less than 1,000 full-time Americans serving in it. Today the number is closer to 8,000. In addition to these, there are over 30,000 American civilians serving abroad in other U.S. Government agencies. But Government service is not by any means the only field in which Americans are active abroad. In 1956, there were some 28,000 in missionary organizations, 24,000 in business enterprises, 10,000 students and several thousand teachers, research scholars, officials of international organizations and philanthropic foundations, making a total of over 100,000 Americans working in foreign lands. And this is only heads of families. Their wives and children are not counted. And nothing has been said of the thousands of members of our armed services stationed all around the world. These 100,000 will greatly increase as America becomes more and more conscious of its international responsibilities and opportunities. And it must be the colleges and universities and technical schools which supply them. If this task is not recognized by the universities and full preparation made to meet this growing need our country will suffer. A White House observer has been quoted as saying, "We are not only in the world for keeps, but much of the world is in our keeping." To give sufficient and proper training to the thousands of young Americans who will be needed in the future in the foreign field, is one of the greatest challenges facing our universities today.

And what sort of a world is it in which over 100,000 Americans and their families are toiling outside their own country? It is a tragically divided world. It is a world in which technological progress has so advanced that we can see the possibility of a tremendously finer life for all and yet a world in which political, moral, and spiritual advances have not kept pace. It is a world in which all that the United States stands for in relation to man's purpose in life is challenged by a ruthless, materialistic system whose leaders are convinced that history is on their side and who say with Soviet Prime Minister Khrushchev, "We will bury you." "All the world will come to communism—history does not ask whether you like it or not." This does not mean that he seeks to bury us literally—that we face in the near future an all-out war. I do not believe we do, or that the Soviet leaders want such a war. But they are in deadly earnest about making their way of life succeed and spread throughout the world—by peaceful means if at all possible, but if not, by any means available.

Whether they succeed or whether we can prevent their success without the complete destruction of civilization as we know it depends largely on you and the young men and women coming from our universities over the next few years. It depends not only on how much you have learned in your various specialties, it depends not only on whether we produce more scientists and engineers than the Russians—although that is extremely important—it depends on how firmly convinced we are that our way of life is right, that it offers more hope for the full development of man than any other. It depends upon how willing we are to make sacrifices, how firm and steadfast we can be. It depends upon how understanding we can be of peoples of different backgrounds and races. And, above all, it depends upon how patient we can be. Patience is not easy for Americans, but there is no quick easy road to success in this struggle. There are no easy answers, there are no readily available

panaceas. But there is a place and a crying need for enthusiasm in the right, for vision, for imagination, and for all the qualities of mind and spirit which should be the result of your university education.

In his stimulating and sometimes controversial book, "Nuclear Weapons and Foreign Policy," Henry Kissinger says:

"One of the paradoxical lessons of the nuclear age is that at the moment when we have at our disposal an unparalleled degree of power, we are driven to realize that the problems of survival can be solved only in the minds of men."

It is in the universities that the minds of men can best receive that cultivation which enables all of us, whatever our particular job, to understand each other and work together, to appreciate that what is different may yet be good, that what is new is not, of itself, dangerous, that what is old may have beauty and reason and inspiration for us—and, above all, that what we stand for is the dignity of man everywhere, not the dignity of the white man, nor the yellow man, nor the black man, nor the dignity of the man in the front office, nor the man in overalls, but simply and sincerely the dignity of man.

I hope that such cultivation has been your lot here at Nebraska University and that in ever-increasing degree it will be the lot of those who come after you. That esteemed Anglo-American philosopher, Alfred North Whitehead, once said:

"During the school period the student has been mentally bending over his desk; at the university he should stand up and look around."

For 4 years now, and for some of you even longer you have had the opportunity to stand up and look around—don't lose the habit.

Look around you; don't just look at your next-door neighbors, attractive as they may be. Look at the Filipinos, there are some 20 million of them; look at the Japanese, almost 90 million of them; look at the Indonesians, over 70 million; and look at all the newly independent states of Asia and Africa. We are naturally inclined to look mostly at Europe and it is important that we do so, for as Secretary Herter recently reminded us, "twice in this century we have seen that when major war comes to Europe, it comes to all the world." But do not forget these new nations, some already independent, some still on the road. Independence and freedom is coming to these peoples at an increasing pace, in many cases before they are fully prepared for it. But the blame for that lies not only with them, we of the West must share the blame. However, ready or not, independence and self-government is coming to these nations, and we must learn to work with them and lead them to work with us in partnership, or we will be lost. We have much to give them of our wealth, our technical and administrative know-how, our modern health programs, and all those things which will help them to build successful, modern independent states which can stand on their own feet and not be a satellite or a puppet of anyone, neither of the Russians nor of the Americans. Even more, we need to give them sympathetic understanding. We must not be impatient when we discover that their ways are not our ways, that they are suspicious of us and our motives, and that in some cases they will not or cannot at once adopt en bloc our systems of parliamentary democracy and economic private enterprise.

And the 100,000 and more Americans who will be working in foreign countries over the coming years, among whom some of you will undoubtedly be included, must have not only the most thorough intellectual and technical training but must be psychologically equipped for the task. We cannot afford to have any more like those pictures in "The Ugly American," although there never have been as many as our more sensational writers would have us believe. This is one of

the most challenging tasks facing our universities today and facing each of you also, whether you go into the foreign field or stay at home. For the image of "The Ugly American" sometimes in the minds of people abroad takes the shape of Uncle Sam himself. He bears labels which read "Little Rock," "The Blackboard Jungle," "Hoffa," "McCarthy." These labels make it difficult, and in some cases impossible, for the thousands of good Americans who every day in tropical jungles or in London streets are trying to give a true picture of the America we know and love, to make their voices heard. These labels, which we know tell only a small part of the story, and that a distorted one, nevertheless make it easy for the Communist leaders to charge us with hypocrisy, with decadence, and encourage them in their belief that history is on their side. We must be sure that our own house is clean, that our purposes are pure, and that our deeds, to the greatest degree possible, match our words.

As one who has spent most of his adult life abroad I cannot emphasize too strongly how important to our task is the picture of America which each of you paints and which is the background of all we do. Sometimes over the past years it has seemed that our country had lost some of its old virtues and lacked impetus and conviction. A great American, Adlai Stevenson, dealt with this problem in a speech in Washington, D.C., last January which has special significance for us who are interested in the role of the university in foreign relations. He said:

"If freedom means ease alone, if it means shirking the hard disciplines of learning, if it means evading the rigors and rewards of creative activity, if it means more expenditure on advertising than on education, if it means 'bachelor cooking' and 'life adjustment' courses in the schools, and the steady cult of the trivial and the mediocre, if it means—worst of all—indifference or even contempt for all but athletic excellence, we may keep for a time the forms of free society, but its spirit will be dead."

And Donald K. David, former dean of the Harvard Graduate School of Business Administration and Chairman of the Committee for Economic Development, has said:

"Today, our peril arises not from the power of the Soviet challenge but from the weakness of our own response."

And what should be the nature of our response? I am reminded that when our ancestors built up this great Middle West where we now live and move and have our being in luxury undreamed of by them, that they were confronted by a deadly enemy, the Indians of the plains. But did they spend all their time going out and shooting Indians? No, they had their rifles with them and they knew how to use them when necessary, just as today we have NATO, SEATO, the ANZUS and Baghdad Pacts, and other bilateral agreements for mutual security. But our ancestors devoted most of their time and energy to building homes and schools, planting corn and wheat, going on Sunday with their families to the little log cabin church, and in every possible way causing the desert to bloom. Another great American, Vice President Nixon, in a speech in London last November, might well have been thinking of this lesson from our ancestors when he said of our present problems:

"Let us speak less of the threat of communism and more of the promise of freedom. Let us adopt as our primary objective not the defeat of communism but the victory of plenty over want, of health over disease, of freedom over tyranny."

To achieve this victory of plenty over want, of freedom over tyranny, is the biggest task before us today. It will engage the best efforts of all of us, those who stay at home and those who go abroad. For many years young men and women from the British Isles went in the hundreds and thousands to

all corners of the earth and helped to spread civilization as we know it. Today with our mutual security and economic assistance programs, so necessary to our own long-term welfare and the peace of the world, I hope that in increasing numbers the best of our young people will see the challenge and seize the opportunity of service in the foreign field. And I hope that those who stay at home will give those who go abroad the support that can only come from constantly making a better America. Only in that way can we keep the peace. Not long before the tragic death of my good friend and respected former chief John Foster Dulles, he was quoted as saying:

"The quest for peace can be an enthralling adventure. Everyone has a part to play. We have the opportunity to prevent the suicide of humanity."

Members of the class of 1959, I invite you to share in that adventure.

THE BEST ADVICE I EVER HAD— ARTICLE BY SENATOR NEUBERGER

Mrs. SMITH. Mr. President, the June 1959 issue of Reader's Digest contains an article by one of our Members which I believe is worthy of the attention of all of us. It is written by the junior Senator from Oregon [Mr. NEUBERGER], bears the title "The Best Advice I Ever Had," and appears on pages 11 and 12 of the Digest.

Because the article itself is such good advice, I ask unanimous consent that it be printed in the body of the RECORD. It will make Senators pause and think. I am sure that I shall never forget it, not only because it is so characteristic of the junior Senator from Oregon, but also because it will always ring a bell in my mind when in the midst of debate on an issue.

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

THE BEST ADVICE I EVER HAD

(By RICHARD L. NEUBERGER, U.S. Senator from Oregon)

I still remember my encounter with a band of silent and forbidding Chipewyan Indians, building longboats in a primitive shipyard along the Athabaska River. They stared at me hostilely until I mentioned that I was a friend of Inspector Denny La Nauze, a member of the Royal Canadian Mounted Police in these northern solitudes. With that, their hospitality knew no bounds. Afterward on the trip, whether at a trapper's lonely bivouac or in a remote mission hospital, the same magical result occurred whenever I mentioned my friendship with La Nauze.

Later, at his home in Calgary, I asked the famous man hunter of the Mounted how he accounted for such affection, rarely given to a man with the stern task of upholding the law. La Nauze looked at me out of pale-blue eyes that had "sunked across bleak miles of frozen tundra. "Dick," he replied, "I suppose those people in the North Country still think well of me because I followed a rule that I would recommend in all human relationships. No matter how decisive things seemed to be on my side, I always kept in mind one thought: The other fellow may be right."

Perhaps because of the impressive dignity of the man, his advice has lingered in my memory and guided me. It has given me second thoughts in situations where once I felt all too sure of myself.

Not long after my last visit with La Nauze I spoke to a convocation at Oregon State College. It was during the 1954 senatorial campaign. A member of the faculty asked a question challenging the consistency of a position I had taken on inflation and taxes. Instead of retorting belligerently, as I was tempted to do, I hesitated for a moment, then answered, "I never thought of it that way before. I believe you are right. My stand isn't wholly consistent."

After the election the president of the college, Dr. A. L. Strand, said, "Nothing that happened won you as many votes on our campus as that answer. Too many politicians are certain they are right on every issue. You made your best impression with that simple admission of human fallibility."

This has not invariably been easy advice to put into practice. On one occasion I was debating on the Senate floor with my former colleague, Arthur V. Watkins, of Utah, over a bill proposing a huge storage dam in the Dinosaur National Monument. He had used up his allotment of time; I had about half an hour left. When he asked if I would yield him a little of my time, I obeyed an impulse to press my advantage and replied testily that I thought the Senator had spoken long enough.

From the rustle which went through the Senate Chamber, I knew I had said the wrong thing. I also realized that Watkins might be right in his request. If his argument was so effective that I could not afford to be generous about granting him 10 or 15 minutes more, did I deserve to triumph in the debate?

I wrestled this over in my conscience, and then admitted publicly that I had been wrong and arbitrary in my attitude. Not only did the admission make for me some personal friends out of Senators who had merely been acquaintances before, but it won an invaluable ally in Arthur Watkins. A year later, when the Klamath River watershed in my State needed urgent legislation to protect timber and waterfowl marshes, he gave it strong support.

Denny La Nauze's rule, it seems to me, can benefit almost anyone. How many times in casual conversation are we led into quarrels because we bristle up and stubbornly refuse to admit that the other fellow may have a case? How often a parent confuses a youngster by insisting that father knows best when a textbook has just proved the old man wrong. Whenever I hear some dubious claim arrogantly advanced, I wonder how many humiliations might be avoided and friendships saved if we could always remember the mountie's simple rule. I, for one, have found it far easier and happier to go through life willing to grant that—the other fellow may be right.

IT IS THE LITTLE PEOPLE WHO PAY THE TAXES

Mr. BRIDGES. Mr. President, in these days of fiscal dilemma, when the soak-the-rich philosophy still seems to be the policy of many of our free spenders, it is refreshingly informative to read a candid analysis of the true facts of income taxation, as set forth in the lead editorial of the Saturday Evening Post of June 6, 1959. Mr. L. Robert Driver, who wrote the editorial, is a well-known economic analyst whose figures are unimpeachable. He has performed a valuable public service in making available the true facts to those numerous Americans who read the Saturday Evening Post. I ask unanimous consent that Mr. Driver's editorial be printed in the body of the RECORD.

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

IT'S THE "LITTLE PEOPLE" WHO PAY
THE TAXES

(By L. Robert Driver)

It is a strange American political phenomenon that, although most of the vocal protest against more Government spending and higher taxes comes from the well-to-do, it is actually the small- and middle-income people who pay the taxes. This is true simply because there are so many more people with low incomes. Even if we raised the income tax to 100 percent on all taxable incomes; that is, income, after exemptions and deductions, over \$6,000 a year, the extra revenue would not pay the annual interest on the Federal debt, much less take care of the new demands of the spenders.

We are now facing a Presidential budget for the year ending June 30, 1960, of \$77 billion and tax receipts estimated at \$77,100 million, indicating a surplus of \$100 million provided gasoline taxes are increased and other tax rates remain the same. These tax receipts are probably overestimated, and we face the likelihood of another deficit. The deficit for the year ending June 30, 1959, is now estimated at \$13 billion. Regardless of this, many Members of Congress are saying that the proposed expenditure of \$77 billion is too little in view of human needs.

The same politicians who tell us that we should spend more for defense—and they could be right—also insist on more money for public power and handouts. Going into debt for national defense can be compared to a family's borrowing money to pay doctors' bills, but no prudent family would go further into debt to build a swimming pool in the back yard with more medical bills to be expected.

Not only does the "little fellow" pay the bulk of direct taxes, but as the Federal debt continues to mount he faces the prospect of paying an even crueler tax through the medium of inflation.

If we increase our expenditures, we must increase our taxes. The burden will fall on the lower-income people—because the wealthy could not pay a substantial part of our taxes even if we took all of their income. About 53 percent of our Federal taxes are derived from the personal income tax, but 73 percent of the revenue from the Federal income tax comes from people with annual taxable incomes of \$4,000 or less. The revenue from taxable incomes in excess of \$4,000 is only 14 percent of the total Federal taxes received.

At present, income tax rates are as high as 91 percent. The Tax Foundation has prepared a table showing that, with a maximum tax of 70 percent, the revenue for the year 1955 would have been reduced by no more than \$145 million. This is not enough to operate the Federal Government for one day. But with a 70-percent tax on the highest income, an investor in American industry would find it more worthwhile to put his money into progressive American industry. If this happened, the Treasury would soon get back the \$145 million which it lost because of the lower rate.

On the other hand, if the tax should be increased to 100 percent on taxable incomes above \$26,000 it would increase the Government's receipts by enough to pay about 1 percent of the total Federal taxes proposed. Hardly enough gain to justify the liquidation of many of our most productive people.

The idea of "soaking the rich" is good campaign material, but the figures show that the rich cannot help us much in paying off our large debt and meeting the costs of Government. Taxes have to be laid where the income is, and that means on the middle class and the lowest-income groups as

well as the millions of people who pay no personal income tax.

Federal income taxes from corporations represent 28 percent of the estimated Federal taxes included in the \$77,100 million for the next year, and excise and other Federal taxes 19 percent. The public has been led to believe that, since these taxes are paid by corporations, the rest of us need not worry about them. The simple fact is that these taxes are inevitably passed on by the corporations to the purchasers of their goods and services. A corporation which didn't include taxes in its cost structure would collapse.

It is a paradox that those who urge reduction of Government expenditures, which would help the tax-ridden "little fellow," are denounced as reactionaries, while the spenders, whose policies are leading to his ruin, are embraced as his friends.

U.S. AID TO INDONESIA

Mr. BRIDGES. Mr. President, a short time ago I demanded of the State Department the reason for U.S. arms and aid to Indonesia, whose leader, Sukarno, has already written off the capitalist countries of the world, of which the United States is a leading exponent. It seems to me that time and time again we are short on help to our friends until they have gone down the drain, and then we try to make amends by extending aid to the successor regime, invariably Communist, in the hope that there may be some friends in that regime who will bore from within. The first great postwar case in point was that of the Chinese Nationalists, whom we failed to supply in their hour of need. The latest case in point seems to be that of Indonesia, where we now support the Sukarno regime, having failed to aid the anti-Communist rebellion.

Mr. President, although my demand went unheeded by the State Department, it was picked up and given widespread publicity in the lead editorial of a recent issue of the Saturday Evening Post. Because of the wide circulation of the Post, I feel that my demand has served its purpose in alerting a large segment of the American people to the need for continually reviewing and questioning certain aspects of our foreign policy. Increasingly, our citizens must be prepared through thoughtful contemplation to offer constructive expressions of opinion on the many problems which face us.

Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a Saturday Evening Post editorial of May 2, 1959, entitled, "U.S. Arms for Sukarno Looks Like a Very Long Gamble."

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

U.S. ARMS FOR SUKARNO LOOKS LIKE A VERY LONG GAMBLE

Eight months have passed since the State Department's startling announcement last August that our Government was about to send small arms, jeeps, and military trucks to supposedly neutralist Indonesia. As far as we know, the Department has made no definitive explanation of its reasons for giving military aid to a country headed by Achmed Sukarno, who only a few short months ago proclaimed capitalism the great enemy and declared that whoever resists the

"trend of the times will be destroyed." That, most Americans thought, meant us.

The State Department did explain that the arms were intended to enable the Indonesian Government to protect its internal security and not to make war on its neighbors. However, if the threat to Indonesian security meant a threat to pro-Communist Sukarno, whose ideological kin are in Moscow and Peking, it is difficult to understand why we should feel obliged to come to his rescue. The most logical explanation is that, after the collapse of the rebel movement in Sumatra, a movement which seems to have lacked any semblance of popular support, the State Department concluded that some gesture of friendship toward Sukarno might serve to strengthen anti-Communist elements in his government.

There is in Indonesia a hard core of military officers trained in the United States, and they are understood to hate the Communists. A few of them joined the rebellion, but most of them are still in the Indonesian Government's army and doubtless appreciate such ties with the United States as these shipments of military hardware make possible. Furthermore, Foreign Minister Subandrio has a healthy suspicion of Communist aims for his country. General Nasution, head of the Indonesian Army, has used military force to suppress Communist uprisings in the country.

Despite these faintly hopeful factors, Sukarno has shown that he is in full charge of his government. Aiding a government headed by him would seem to be something like aiding Khrushchev on the ground that some of the men around him might somehow sneak in some action favorable to us. It is difficult not to echo the demand, by Senator STYLES BRIDGES, of New Hampshire, that the State Department give "the reason for U.S. aid to a nation whose leader has already written off the capitalist countries of the world, of which the United States is the leading exponent." It is easy to believe that the State Department is none too happy about the situation, but is attempting to counteract Soviet influence in that economically and politically destitute area.

The tragedy of Indonesia, as far as the West is concerned, is the failure of the anti-Communist rebellion. On the basis of hindsight, its leaders obviously erred in attempting to set up a separate government which influential anti-Communists such as Dr. Mohammed Hatta refused to join. Had they been content to work from the inside, they might have managed to surround Sukarno with a tighter cordon of anti-Reds than the one the State Department appears, somewhat wishfully, to be counting on.

The whole thing looks like one more of those hopeful efforts to wean pro-Communists away from their favorite pap by arming them against anti-Communists. However, just as Nehru appears to be awakening belatedly to his danger, now that the Chinese Reds are operating in Tibet, so it could be that an accumulation of Communist successes in southeast Asia may eventually alarm the nationalistic Indonesians sufficiently to persuade them to get rid of Sukarno and resist the Communists.

Just the same, it might have been wiser to hold up arms for Indonesia until symptoms of awareness of the menace of communism became more definite, reserving the bulk of our aid for leaders who have recognized communism for what it is—and are fighting it.

PROPOSAL TO ADMIT RED CHINA TO OLYMPIC GAMES

Mr. BRIDGES. Mr. President, the May 28 decision of the International Olympic Committee has, in my judgment, created a serious doubt in the

minds of the American public of the activities of the Olympic Committee. It is unbelievable that an organization which allegedly is nonpolitical can do what a political body, the United Nations, has been unable to do. I refer to the sanctioning of Red China's participation in the Olympic games. The regulations and protocol under which the International Olympic Committee operates is very clear in the field of political consideration. The regulations on this subject, adopted on July 12, 1956, by the International Olympic Committee at its meeting in Lausanne, Switzerland, contain a specific provision that national Olympic committees must be "entirely removed from all political, religious, or commercial influence."

Additionally, there has been a further flagrant disregard of the high ideals and motivation which have characterized the Olympic events since their inception. We now find that the definition of amateur has been changed to coincide with the political philosophy that prevails in the Communist-dominated countries. Is there any doubt in the minds of my colleagues that participants from Communist nations are paid and trained by their respective governments? It is an ironical and a tragic commentary on history that the records of the great James Thorpe have been maligned and discounted because he allegedly did not qualify as an amateur. Yet, only a few decades later, we see wholesale representation by participants who are professionals beyond any degree that Jim Thorpe ever could have contemplated. This is a sad reflection on the principles which have made the Olympic games the shining beacon of clean sportsmanship and moral rectitude which they previously have been.

In connection with this subject, I request unanimous consent that a letter to the editor, which was published in the Manchester Union Leader of June 9, 1959, be incorporated in the body of the RECORD at this point as a part of my remarks.

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

SHOULD WITHDRAW FROM OLYMPICS

To the Editors: The recent decision of the International Olympic Committee which withdraws recognition of the Olympic Committee on Formosa and makes it possible for the Government of Red China to apply for recognition represents a direct violation of the established policies of the IOC. That organization has now given in to political pressures although it is supposed to be nonpolitical.

Perhaps it is more than coincidence that this change in policy has occurred. It is a known fact that the Communists are seeking to control all phases of life. This includes the athletic and educational as well as the military and political aspects. When Communist Governments find it possible to pressure the IOC into changing its policy, then that committee has become a tool of Communist policy.

The U.S. Olympic Committee should refuse to retain membership in the IOC under such conditions. This is tantamount to recognition of Red China as the legitimate representative of the Chinese people.

Entirely aside from the political ramifications is the fact that amateur athletes do not exist in Communist countries as far as

international competition is concerned. With this in mind, is it not a very paradoxical position in which the IOC finds itself? The IOC, the international authority of amateur sports, has now made it possible for one more Communist nation to send its professional athletes to compete with amateurs from the West.

The only principled action the U.S. committee can take is to refuse to abide by the decision and to withdraw from the IOC. Cultural exchange proponents will disagree with such actions but those who are familiar with Communist ideology and the methods used to implement that ideology will realize that any other course of action would be to compromise our ideals, both athletic and political.

THOMAS R. AGAN.

LEBANON.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. NORRELL, Mr. CANNON, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.

THE POLITICS OF LIBERATION AND THE DIPLOMACY OF POLITICAL DETERRENCE

Mr. DODD. Mr. President, we are participating in the current discussions with the Soviets on the question of Berlin against a foreboding background. On the one hand, there is Khrushchev's original ultimatum. Although the Kremlin did abandon its May 27 deadline, the ultimatum per se has never been withdrawn.

On the other hand, there is an unbroken series of threats of military action and nuclear devastation. Whether or not Khrushchev decides to speak softly at any given moment, the negotiations which are now in process and the summit conference, if it takes place, must be carried out under the shadow of all he has said and done up to now.

It is not my purpose in this discussion to examine in detail the conduct of the Geneva Foreign Ministers Conference. The Kremlin has proved as truculent and irrational as we had anticipated, and reports are generally agreed that no worthwhile agreement can result from this 5-week exercise in patience, exasperation and futility.

I wish to speak today about a matter which I consider of great and enduring significance—the new Soviet diplomacy that Prime Minister Khrushchev has been modeling for the intimidation of the world.

The goal of the Communists remains unchanged. That goal is world Communist domination. Their basic strategy also remains unchanged. They still seek, by every conceivable means, to divide the free world, to confuse it, to

divert its attention by feinting in many directions, to subvert it directly wherever this is possible, to soften it up where immediate subversion is not possible, to beguile it with soft words when this approach offers the greatest promise, to propose negotiations, including summit meetings, at which they demand everything and concede nothing, and plan to obtain something.

But a new element has been added to Soviet diplomacy. For the first time since the Russian revolution, the Kremlin now talks in terms of ultimatums, and the use of hydrogen missiles. The threats that Khrushchev has recently made are, I am convinced, the forerunners of many more threats and ultimatums that will be addressed to us over the coming years. It is important, therefore, that we evaluate the significance of this new Soviet diplomacy and that we reexamine our own diplomacy in its light. Above all, we must seriously discuss whether some new element cannot be added to our own diplomacy that will further the more effective counter to the Kremlin's new tactics.

The Allied Powers have all stated for the record that they will not be intimidated by such threats, that there will be no retreat at Berlin, and no appeasement. But one is compelled to consider whether the Soviet threats have not had a greater effect on Western thinking than the West is prepared to admit. Specifically, I cannot help questioning whether these threats have not been responsible for an apparent softening of British policy and for the exaggerated nervousness of a portion of the British press over our high altitude flights to Berlin.

The story was told by several correspondents that in one of his conferences with Prime Minister Macmillan, Nikita Khrushchev warned the Prime Minister that the Soviets intended to go through with their ultimatum, that any effort to resist would result in war, and that it would require only a dozen missiles with hydrogen heads to completely destroy the British Isles. According to these reports, Macmillan emerged from this meeting with his face firm, but visibly impressed. Other accounts in the British press stated that he was shaken to the bone.

On May 9—that is, on the very eve of the Geneva conference—Premier Khrushchev warned a group of West German editors that the Soviet Union could put West Germany out of action with eight hydrogen bombs, and that no more would be needed to do the same for the rest of Western Europe. According to the New York Times, Mr. Khrushchev said that, if it comes to war—here I quote his words directly:

The Western Powers will be literally wiped off the face of the earth. And the countries first to suffer will be those in which the Americans are setting up their rocket bases.

I can recall no comparable preface by a head of state to a diplomatic conference ostensibly intended to reduce tensions. Not even Hitler at his most reckless prewar moment rattled the saber as arrogantly as Khrushchev now brandishes his hydrogen missiles. In the light of these remarks, it would almost

appear that in going to Geneva we are attending not a diplomatic conference, but a rendezvous with underworld extortionists.

Notwithstanding Mr. Khrushchev's bluster, it is my belief, Mr. President that in deciding on the course to pursue in our negotiations with the Soviets, we must realistically appraise our own strength and weakness—and the strength and weakness of the Soviet position.

There is an element of the poker game to our competition with the Soviets. Certain cards are on the table, but there are closed cards on each side that the other side is compelled to guess at. Because of our own open society and free press, there are more closed cards on the Soviet side than there are on ours in this game of international poker. We are, therefore, constrained to indulge in far more guessing—while the Soviets are at the same time free to engage in poker bluff to a far greater degree than the West.

Even with the most careful study, political and human behavior cannot be forecast with 100 percent accuracy. One of the first rules of statesmanship is that one must prepare for all contingencies, including the worst. Whether to call the Soviet bluff or to meet their military challenge, we must be prepared for war as the alternative to capitulation.

If we are to plan our strategy intelligently, however, it is important that we try to estimate on the basis of the known facts, whether the Soviets, in forcing the Berlin crisis, are leading from strength or weakness; whether their martial talk and missile-rattling are plain bluff, whether they are something real and serious, or whether bluff and earnestness are so intermixed that the outcome of these threats is impossible to assess.

To answer the first question, I believe that the Soviets may in part be emboldened by their missile lead, by their overwhelming superiority in conventional arms and by the anticipation of Western disunity. On the other hand, I feel that they are motivated, to a very large degree, by a serious weakness in their own position.

The Soviet puppet regime in East Germany is suffering from a chronic social disintegration that the Soviet specialists have found no means of arresting. Although increased production has been achieved in some areas, East Germany, compared with the prosperity and well-being of West Germany, has since the end of the war become an economic wasteland. If the flight of skilled workers, teachers, and professionals from East Germany continues at the rate of the past 10 years, and if the East German population continues to decline, Soviet Germany may within the next decade become a near-desert in the literal sense of the word.

The Communist leaders have apparently decided that this process of attrition must be stopped. To accomplish this, a quadruple operation will be necessary.

First, surgery must be performed on West Berlin to eliminate it as a showcase of democracy in the heartland of Communist Germany and as the No. 1 escape route for East German refugees. Berlin is in the words of Nikita Khrushchev, "a malignant tumor which must be cut out."

Second, the satellite regime in East Germany must be bolstered internationally, and domestic opposition to it must be discouraged, by compelling the Western Powers to grant it recognition.

Third, since the proximity of Western troops—even in the absence of an active liberation policy—must be considered a potential stimulus to the liberation movement, Western Germany must be disarmed and the NATO divisions must be obliged to retire as far to the west as possible.

Finally, to consummate the consolidation of Soviet power over the satellites, the Kremlin proposes a European security pact under which the West would, in effect, guarantee the maintenance of Soviet control of Eastern Europe.

This is an ambitious program—but Khrushchev is apparently of the opinion that he has everything to gain and nothing to lose by demanding a summit conference on these issues.

The next question we must ask ourselves is whether Khrushchev was bluffing or whether he really meant it when he said that once control of the Berlin routes is turned over to the East German forces, any clash between them and NATO troops would automatically result in war.

A factor in the Berlin ultimatum may be Khrushchev's conviction that the development of Soviet nuclear and missile power has already succeeded in canceling out, or will soon be able to cancel out, the deterrent power of American nuclear superiority. Indeed, he may have made his threats and he may be using the present negotiations for the purpose of testing this conviction. I think there may be much wisdom in the observations which Joseph Alsop made in the New York Herald Tribune of May 13. I quote:

What Andrei Gromyko and his vast Soviet delegation are here to find out, if they can, is whether the Western nations really are ready to fight for Berlin. If they conclude the contrary, as they well may, there will be no end to the concessions which the Soviets will demand. Nothing but the clearest, most decisively proven Western willingness to fight for Berlin will promote the kind of compromise that would be acceptable to the West.

"Western willingness to fight," in the given situation, means our willingness to employ our nuclear and thermonuclear weapons.

Khrushchev may be right in reasoning that the responsible Western leaders will hesitate a long time before hurling the first nuclear bomb and involving the world in a war of mutual devastation. But let him not underestimate the will or courage of the free world if he confronts us with a choice between war or capitulation.

In this connection, I believe that the Gallup poll published last March 29 is

most significant. The question asked was:

Do you think we should keep American forces in Berlin—along with British and French forces—even at the risk of war?

Eighty-one percent of those queried felt that we should remain in Berlin, even at the risk of war; 8 percent had no opinion; and only 11 percent felt that we should not stay in Berlin. The consistency of American public opinion on the question of Berlin is as remarkable as its strength. A Gallup poll in 1948, at the time of the blockade, showed 80 percent of the American people in favor of staying in Berlin and 11 percent opposed. Another Gallup poll in December 1958, just after Khrushchev's ultimatum, showed 78 percent favored remaining in Berlin and, again, only 11 percent opposed.

The American people know that if war should come, it will almost certainly be a nuclear war. And yet, in the face of this, they have given an overwhelming mandate to the administration and to the Congress of the United States to pursue the firm and unyielding policy to which they have committed themselves. Why do they think as they do? Mr. Gallup quoted this typical comment:

Russia wants to take over all Germany, and then Europe, and then the world.

Mr. President, I believe that the understanding and fortitude which the American people have always displayed in times of crisis, is an element of national strength which must be weighed heavily in any comparison of American and Communist power.

In coping with Khrushchev's blustering threats we need not—indeed, we must not—rely only on our power of nuclear deterrence.

The fact is that we have in our grasp a deterrent potentially even more effective than our arsenal of atom and hydrogen bombs. It is a deterrent of which, regrettably, we appear almost wholly unaware, and which we have thus far not employed as an instrument of diplomacy, but it is one of whose potential effectiveness the men of the Kremlin have been made painfully aware and which will cause them to shrink from putting us to the test of military action—if the West remains united and firm.

There was a time, perhaps, when the Soviet leaders may have imagined that, given an increase in their nuclear strength, they would possess the potential to wage a war against the West. But the successive events in East Germany, Hungary, and Poland have seriously weakened this potential—and this is something that is perhaps better understood in the Kremlin than it is in the Western capitals. The succession of uprisings in the satellite area, in particular the Hungarian revolution, has demonstrated three things: First, that the satellite divisions are totally unreliable; second, that the Red army itself is dangerously unreliable; third, and most important of all, that the masses of the people under communism share a mortal hatred for the regime which oppresses them.

If the Soviets were to launch a general war in Europe, the 100 divisions which the Red army maintains in Europe would not be supported by the 75 satellite divisions of the Warsaw Pact.

At best, the Red army would be able to enforce the neutral inactivity of the satellite divisions and exercise a perilous control over the bitterly hostile populations, some 100 million strong, of all the satellite countries. The strength of the Soviet divisions would have to be dissipated in garrisoning the satellite nations, in guarding their routes of communication against nationalist guerrillas, and in policing the satellite divisions to prevent their disaffection.

At worst, the Kremlin would have to contend with a super-Hungary, arising simultaneously throughout their satellite empire.

The passionate desire for liberation that exists in all the satellite countries in itself constitutes a serious deterrent to Soviet military aggression. Even assuming that the Kremlin could count on the loyalty of the Red army divisions, it would make war against the West a very hazardous undertaking. But the 64-ruble question which Khrushchev must ask himself is: Can the Red army be counted on in a war against the free world?

The great triumph of the Hungarian revolution is that it destroyed for all time the myth that Communist regimes can enjoy at least a measure of popular support. Until several months before the revolution, the people of Hungary, like the rest of the peoples in the Soviet empire, gave the impression of passive acceptance of their regime. But underneath this appearance of passive acceptance there lay a smoldering hatred. When the volcano of this hatred erupted, one had to look around and ask: "Where are the Communists?" Most significant of all, the younger generation, the students and workers who had known no other world and who had been indoctrinated since childhood in Marxist dogma—these were in the forefront of the fight against the regime.

The Hungarian revolution has demonstrated, if this needed any further demonstration, that neither one generation nor 3 generations nor 10 generations can produce a breed of men who will accept as natural and proper the complete abrogation of human freedom. There is, in short, no such thing as a Communist generation.

But while it is now a commonplace that communism is unpopular, we in the West still fail to comprehend either the degree or the universality of the hatred which the people who have been subjugated by communism feel for their Communist masters. It is understandable that we should find such comprehension difficult because this hatred is far more intense, far more explosive than anything we of the non-Communist world have ourselves experienced.

During my participation in the Nuremberg war crimes trials, in the post-war period, I learned something of the desperation and hatred and terror of the hundreds of thousands of Russian war prisoners and slave laborers held by the Nazis whom we, through incredible

ignorance, returned against their will to the Soviet authorities. My soul is still tormented by the nightmarish accounts of mass suicides in which men slashed their wrists with tin cans and women jumped with their children from upper story windows rather than face a return to Soviet Russia.

Since the end of the war, a whole series of events in many parts of the world have demonstrated that this incredibly intense hatred was not confined to one moment in history or to the specific variety of communism that existed in the Soviet Union under Stalin.

What kind of fear and what kind of hatred was it that induced 4 million North Koreans—one-third of the pre-war population of this Communist satellite—to abandon their landholdings and their belongings and seek refuge in South Korea?

What kind of hatred was it that compelled 1 million North Vietnamese to flee from the so-called liberation regime of Ho Chi Minh—most of them under conditions of terrible danger and hardship, racing against the armistice deadline?

What kind of hatred was it that induced 15,000 of the 20,000 Chinese POW's taken in Korea to refuse to return to their homeland—despite the blandishments of the Communist representatives, despite the discouraging attitude of the West, despite the bleak prospects of resettlement elsewhere, and despite the overwhelming importance of family and homeland to Chinese generally?

What kind of hatred and desperation was it that produced the East German and Polish uprisings and the incredible heroism of the Hungarian revolution, in which an unarmed and unorganized citizenry triumphed over both the secret police and the Red army in the first round of battle?

And, within the past few months, what kind of hatred was it that let 2 million Tibetans, virtually without arms, and with no friendly armies on their frontiers, to rise up against the overwhelming might of the Chinese Red army?

In the evolution of hatred of tyranny there is a point where it becomes a blind and all-consuming passion. And no regime in history has been so outstandingly successful in fostering this special breed of hatred as has the Communist regime in Russia and its satellite regimes in other countries.

In evaluating the present situation, I believe that it would be helpful to us to recapitulate certain established facts of World War II and of the Hungarian revolution.

An entire literature on the subject of Soviet defections in World War II has grown up—Boris Shub's "The Choice," Eugene Lyons' "Our Secret Allies," George Fischer's "Russians Against Stalin," are outstanding in this category. But the memory of man is short, and many of the facts that were so painstakingly set forth have been forgotten.

Contrary to the accounts the Soviet propagandists have put out, when the Reichswehr invaded the Soviet Union in June of 1941, the Red army enjoyed overwhelming superiority in manpower, in aircraft, in tanks, and in artillery.

Within the first 8 months of the war, the German Army took 3,600,000 military prisoners and destroyed or captured immense quantities of war material, including more than 16,000 guns and over 17,500 tanks. These are truly colossal figures. By the end of the war the Soviets had only succeeded in rebuilding their tank corps to a total of 13,400 tanks, while the Germans on the Eastern Front opposed them with no more than 3,500.

Wherever the German troops came, the civilian population greeted them as liberators and received them with enthusiasm and with garlands. Nor was it true that this welcome was confined to the Ukraine and to other areas where nationalist feeling ran high. In the streets of Moscow there was spontaneous singing, for the first time since the revolution, when the German Army penetrated to the suburbs and the Government and the NKVD fled to Kuybishev.

The warm greeting accorded the German Army had nothing to do with pro-Nazism. Nor can it be equated with treason, since the great mass of the Soviet peoples regarded themselves as patriots and the Bolsheviks as traitors.

The Wehrmacht officer, Herwarth von Bittenfeld, now, incidentally, the German Ambassador to London, pointed out that the invading German Army received as friendly a reception at Smolensky, Viasma, and Bryansk, in Great Russia, as it did elsewhere.

With all the handicaps created by the brutal, senseless Nazi racist policy—

Said Von Bittenfeld—

We raised more than 500,000 soldiers for our side among war prisoners and among the peoples of occupied territory. With an intelligent political policy, we could have won the war in the East simply because the Russian people themselves would have overthrown the regime.

Especially in the first months of the war, surrenders were on a mass scale and were political, not military. At that time I would go out as a cavalry officer on a patrol and would come back with thousands of altogether voluntary prisoners.

Supporting Von Bittenfeld's finding from a civilian point of view was the wartime opinion, recorded in the Nuremberg record, of Dr. Otto Braetigann, official of the Reich Ministry of the East.

Were the war being conducted only for the purpose of smashing Bolshevism, then it would have been decided long ago in our favor, for, as all experiences of this war have confirmed, Bolshevism is hated to the utmost by the Eastern people, above all by the great mass of the peasants. In the Soviet Union, we found on our arrival a population weary of Bolshevism, which waited longingly for new slogans holding out the promise of a better future to them. It was Germany's duty to find such slogans, but they remained unuttered.

The population greeted us with joy as liberators and placed themselves at our disposal willingly and freely with body and life. Wherever Ukrainians, Russians, White Ruthenians and members of the Baltic peoples enlisted in the German Wehrmacht, they proved themselves and fought excellently without exception."

The amazing success that General Vlassov had in raising his "Army of Liberation" from the ranks of Soviet POW's

and forced laborers in Germany is something that no amount of Soviet rationalization can explain. Despite the brutality that the Nazis practiced on Soviet civilians and POW's alike, Vlassov succeeded in a very short time in building up an army of 500,000 men who mistakenly believed that they could fight against Stalin for the liberation of their homeland in the ranks of the German Army.

According to a letter which Eugene Lyons received from a Russian refugee in Germany, the matter of joining the Vlassov army was discussed in one Russian POW camp on November 19, 1944—at a time when it was obvious to everyone that Germany was headed toward disastrous defeat. Only 15 of 200 prisoners did not join. In addition, it is estimated that at the end of the war, Vlassov's enlistment bureau had applications from some 2½ million civilian and POW volunteers.

True, the Red army finally did defeat the Nazi army because of its utterly overwhelmingly superiority in men and equipment. Toward the end of the war, the Russian army on key fronts outnumbered the Germans by almost 8 to 1 in infantry, 7 to 1 in artillery, 10 to 1 in mortars, and 5 to 1 in tanks. But the Red army could not have achieved victory if there had not been a fundamental reversal of attitude on the part of the Russian peoples. It was not any increase in affection for the Bolshevik regime that brought about this change, but, very simply, the brutality of the Nazis.

It is conceivable, I agree, that the Khrushchev regime has succeeded in reducing popular disaffection by curbing some of the worst terroristic practices of the Stalin regime and making some concessions to the Soviet consumer. On the other hand, despite the minor attenuation of terror, the Soviet Union still remains a totalitarian police state. To the growing class of Soviet intellectuals and professors, in particular, the rigid state control of thought must be a constant source of outrage. For example, there is evidence that the overwhelming majority of the Soviet intellectuals were even more indignant than we in the West over the treatment of Boris Pasternak and the suppression of "Dr. Zhivago" in Russia.

Hungary provided the most significant revelation. The divisions that were initially stationed in Budapest had to be withdrawn because in the first round of battle, they proved either reluctant to fight the Hungarian people, or else openly sympathetic to them. The Hungarian freedom radios broadcast repeated messages from Soviet defectors, up to the rank of Colonel, to their comrades in the Red Army. Broadcasting over Radio GYOR on October 28, Red Army Col. Vladimir Novikov said:

My unit has forcibly overpowered the attacks of the security police. Now the most urgent problem for the Soviet Army is to uphold the good name of the Russians with arms and in the spirit of Russian-Hungarian friendship. We, the Soviet people, have found out by our own lives that it cannot go on like this any more. We see that the Stalinists are hated not only at home but everywhere. We call upon all real Russian

patriots, for whom the honor of our nation is dear, to extend a brotherly hand to the Hungarian people and, together with them, to pave the road for a new and better future.

No accurate account may ever be available of the scale of defections from the Soviet forces that were first deployed against the Hungarian people. But certainly it was substantial. This was something on which all Western observers were agreed.

Seymour Freidin reported in the New York Post, November 18, 1956: "I know of three specific cases and obtained reports of countless others where Soviet soldiers came over to the revolutionaries to capitulate with their equipment." Reuters carried the report that 3,000 Soviet troops and 60 Russian tank crews had deserted and fought with the Hungarians. The Hungarian expert of the highly reputable London Sunday Observer on December 15, 1956, estimated the number of Soviet deserters in Hungary at 15,000. Joseph and Stewart Alsop on December 6, 1956, reported that a high percentage of the defections took place from the elite Soviet Second Guards Division—which, they pointed out, "is as though soldiers in the American Marines or the British Guards had gone over to the enemy." As late as December 22, John MacCormick reported in the New York Times that soldiers of the Soviet 83d Motorized Infantry had revolted when ordered to fire into a crowd of demonstrators at Tokaj, that five Russian soldiers had been shot in the fray, and that after the fighting, two entire companies had melted away to join the rebels. When the fighting in Hungary was almost over, the American press carried a report that a large Hungarian training camp has been converted into a prison camp for Red Army defectors. According to Hungarian sources, this camp housed almost 10,000 prisoners.

Perhaps all of these estimates are somewhat exaggerated. But even allowing for a four- or five-fold exaggeration, the defection of several thousand Red army men—defection, to a side that seemed foredoomed to defeat—must be considered symptomatic of the most basic and deeply rooted discontent. It is a matter of common knowledge that the Soviets found it necessary to replace their occupation troops with fresh troops ordered into Hungary from the U.S.S.R. and the surrounding satellites. These were indoctrinated to believe that they were about to fight the American imperialist invaders, either on the Elbe or at Suez. I think it is particularly interesting, too, that for the initial assault on Budapest, the Kremlin saw fit to use some 5,000 tanks unsupported by infantry. Without infantry cover, the tanks were particularly vulnerable in street fighting and the revolutionaries took a heavy toll of them with grenades and Molotov cocktails. In using massed tanks without infantry protection, the Kremlin was violating all of the tactical rules. Why did it do so? One explanation that has been advanced is that they were seeking to intimidate the people of Budapest, as they were able to intimidate the people of Berlin in 1953, by a show of armored strength. Another and

more probable explanation is that they feared the possible effect of contact between Red army foot soldiers and the Hungarian people—at least until the back of the revolution had been broken.

Even in their easy war against the Hungarian people, the men of the Kremlin were obviously tormented by the ghost of General Vlassov.

What if it should come to a war with the West? There are certain things that can safely be predicated: We would not wage the war for purposes of imperialist aggrandizement. We would not practice the bestial master race policies of the Nazis. Our political traditions, our code of morality, and the logic of our position would lead us, on the very day that war broke out, to proclaim the restoration of freedom to the peoples of the satellite countries and of the Soviet Union as our only goal and to set up the first cadres of national liberation movements and liberation armies.

I realize that it is not feasible for the Secretary of State or the President to say these things, for the simple reason that they must guide themselves by the etiquette of diplomacy. But there are certain things a Senator may properly say and should say that a head of state may not.

I feel we should let the Soviets know that we are not deceived by the recent bluster of the Warsaw Pact powers; that we are aware of the existence of massive popular discontent in all the satellite countries; that we have not forgotten the questionable performance of the Red army in Finland and in Hungary, and in the early stages of the war against Hitler; that if the Red army provokes war, it would have to devote much of its strength to enforcing the obedience of the satellite peoples; that we are certain that the great majority of the Red army would be demoralized if ordered to wage war on the workers and peasants of other countries; that if war is forced on us, we would wage it from the first day as an all-out war of liberation for the peoples of the Soviet Union as well as for the peoples of the satellite countries.

We should tell them bluntly that, if it comes to a crisis, we know that we shall not have to contend with a monolithic armed force consisting of the 100 Soviet divisions stationed west of Moscow and the 75 divisions maintained by the satellite countries. The 22 divisions which the Red army maintains in East Germany, the 7 divisions in Hungary, the 2 divisions in Rumania, and the 2 divisions in Poland, would have their work cut out performing occupation duties. At the best, only a portion of them would be available for offensive action. And, if the chronic unrest in these countries were again to erupt, the Kremlin might have to augment these divisions with reinforcements drawn from the Red army in Russia.

We can call the Soviet's bluff on the Warsaw Pact. Not in our lifetime will they be able to use against us the 300,000 members of the Polish armed forces, the 250,000 Rumanians, the 200,000 Czechoslovaks, the 160,000 Bulgarians, the 150,000 East Germans, and the 90,000

Hungarians. On the contrary, there is a much greater chance, if it comes to war, that the armies of the Warsaw Pact will wind up on the side of the free world. Certainly this would be our goal—a very realistic goal.

We should let Khrushchev know, too, that we have studied and digested some of the lessons of the Bolshevik revolution; that we know how effectively—and how fraudulently—the Bolsheviks employed the slogans of "National self-determination" and "Land to the peasants;" that we are convinced these slogans correspond today, as they did in 1917, to the deepest desires of the Soviet peoples and the Soviet peasantry; and that we are confident these slogans—despite their abuse by the Bolsheviks—would enlist the trust and support of the peoples of Russia if they carried the guarantee of the countries of the free West.

In short, we should let the men of the Kremlin know that if they force a war over Berlin, it will be an all-out political war, with no holds barred. And we should perhaps inform them, in some precise detail, of the plans that already exist for the creation of national liberation armies and liberation movements.

If our diplomacy is to be conducted in these terms, we must be prepared to place certain chips on the table. Some of these chips, by the nature of things, will be military. Quietly, and without ostentation or panic, but in a manner that spells business, we must increase the combat-readiness of the NATO forces in Europe. But more important we must devise a carefully thought-out policy that will give encouragement to the liberation movements in all the captive countries, and we must find ways of sharpening our ideological impact on the enslaved peoples.

Until the time of the Hungarian revolution there were many who scoffed at all talk of liberation. Not very surprisingly, those who had abandoned all hope were inclined to favor military disengagement combined with a guarantee of the status quo in Europe.

Liberation is indeed a pipedream, if the word is used to signify an initiative from without via subversive movements under the aegis of the Western governments. But it is not a pipe dream if one accepts the premise that liberation will have to come from within, that the role of the West must be limited to keeping the spirit of liberation alive through its propaganda and supporting it through its diplomacy, and that it can only be achieved given a highly favorable conjuncture of circumstances.

Such a conjuncture occurred in the months preceding the Hungarian revolution. The Kremlin had been wracked by a series of power struggles; the entire Communist world had been thrown into further disarray by Khrushchev's denunciation of Stalin's crimes at the 21st Congress of the Soviet Communist Party; the weakening at the center had resulted in a weakening of control in the satellites; and the growing evidences of discontent in each of the captive nations communicated themselves like electric impulses to the other captive na-

tions. It is improbable that a similarly favorable conjuncture of circumstances will arise within the next several years.

I know there are those who read a different meaning than I do into the Hungarian revolution, who see in it conclusive proof that liberation is impossible and that the West has no alternative but to accept the status quo. To these I say that the Hungarian revolution was neither a completely foredoomed undertaking nor a tragic defeat.

The Hungarian revolution might have been successful if the United Nations had had the foresight and courage to dispatch a small group of observers the day after the government of Imre Nagy was installed. It might have been successful if the Western alliance had not been rent asunder by the Suez crisis. And, even without moral support from the UN and the West, it still might have been successful.

At the time of the Hungarian revolution, Poland and East Germany stood on the brink; had either one gone over the brink, the chances are that the entire satellite empire would have erupted in the flames of a superrevolution. With such a situation, the Red army would not have been able to cope. The Hungarian revolution was a completely spontaneous national uprising. But, even if it had been organized and calculated, it would have been a justifiable risk from a military and political standpoint.

If we weigh the consequences, the Hungarian revolution, in defeat, ranks as the most significant victory for the forces of freedom since the end of World War II.

From their own history, the Russians know something of the concept of victory in defeat.

Napoleon won the Battle of Borodino. But General Kutuzov, as Tolstoy recounts in "War and Peace," insisted that the battle, in terms of its ultimate consequences, was a decisive victory for Russia. The outcome, as every schoolboy knows, was Napoleon's disastrous retreat from Moscow.

When Hitler invaded Yugoslavia after the revolution of March 27, 1941, he was able to smash the Yugoslav army and capture Belgrade in 12 days. But it was a victory that ultimately cost him the war—for the revolution of March 27 invalidated his dispositions, disrupted his economic hinterland, delayed by more than a month his invasion of the Soviet Union, bogged down his armies in the autumn muds, and deprived him of the capture of Moscow.

Khrushchev was able to crush the Hungarian revolution by massing his armored divisions against the people of Budapest. But the Hungarian revolution, in defeat, exposed the lie of communism for all peoples to see and overnight converted the Warsaw Pact from a diplomatic asset into a military and diplomatic question mark.

So I come back to my basic argument. The most effective deterrent to Communist expansion in Europe at this juncture would be to place basic emphasis in all of our diplomacy on the ultimate freedom of the captive peoples

of Europe. If we are not prepared to do so for the sake of the captive peoples, then we must do so in order to save ourselves.

Both political parties in the election of 1952 committed themselves to the liberation of the subjugated nations. But unfortunately the word was used more as an electioneering slogan than as a name for a carefully thought-out foreign policy that is vital to our own national security. Because of this, I am afraid, the word "liberation" is today somewhat compromised in the eyes of the captive peoples and of the millions of their compatriots who are now American citizens.

To use the word again as a slogan, or simply to pay lip service to it, would be the height of irresponsibility. Let us therefore spell out what such a policy means in practice and, if we use the word again, let us do so as a serious act of self-dedication.

"Liberation" does not mean that we confront the Soviets with an ultimatum and launch a war if they refuse. Nor does it mean that we organize subversive movements and ferment revolutions in the captive nations. Either proposal would be irresponsible folly, in addition to running counter to our entire tradition. Liberation, as I have pointed out, will have to come essentially from within. But what we say and what we do can encourage or discourage the spirit of liberation and, in this sense, can exert a decisive influence.

How do we go about encouraging the liberalization movement?

The first step would be to demonstrate the earnestness of our concern by raising the issue of the captive nations at every diplomatic conference and at every session of the United Nations. In enslaving the captive nations, the Soviets were guilty of violating a whole series of international agreements guaranteeing free elections. In imposing their regimes and maintaining them in power, they have used the Red army in the most flagrant manner as an instrument of political intimidation; and when intimidation failed in Germany and in Hungary, they resorted to open military intervention and repression. They have violated the Charter of the United Nations repeatedly and at almost every point.

Let us spread the facts about Soviet imperialism upon the record at every available opportunity. Let us continue to demand that the Soviets respect their obligations and respect the Charter of the United Nations.

To raise the issue of the liberation of the captive peoples in this manner would by itself have a great impact on the other side of the Iron Curtain. But the issue must never be permitted to degenerate into a simple propaganda device. We must, in all earnestness, make liberation a cardinal goal of our diplomacy.

I do not underestimate the difficulty of persuading the Kremlin to liberate its satellite empire. But I can conceive of a situation where a combination of division within the Kremlin and unrest in the satellites and hard bargaining

on the part of the West, will induce the Soviets, in their own interest, to grant freedom to the unyielding, troublesome, hostile captive peoples.

Let us say to Mr. Khrushchev: "You say that you desire peace and that you wish to reduce tensions. No one in the free world wants war, and everyone would be happy to see tensions reduced. But the tensions are the symptom and not the cause. You do not cure pneumonia, Mr. Khrushchev, by placing ice packs on the patient's forehead. You diagnose the disease and you prescribe a remedy in accordance with this diagnosis. What are the causes of the tensions that exist in the world today?"

"No one believes, not even you, that the world is tense because the seventeen NATO divisions are planning aggression against the Soviet Union. There is tension, Mr. Khrushchev, because of your ultimatums and blustering threats, because of the massive armed aggressive strength which the Soviet Union and Communist China maintain, because of the subversive activities of the Communist parties in every country, because you have flagrantly violated so many covenants that the world can no longer have any confidence in your pledged word. And there is tension because the Soviet Union has ruthlessly imposed its rule on the peoples of Estonia, Latvia, Lithuania, East Germany, Rumania, Bulgaria, Czechoslovakia, Hungary and Albania."

"Let us remember that armed force has been used only twice in Europe since the end of the war—first by the Red army against the people of East Germany, and the second time, by the Red army against the people of Hungary. Here is the proof of the real source of tension."

"You wish to reduce tensions? If the Soviet Union could have the wisdom to withdraw to its prewar frontiers, tensions would disappear overnight and the whole world would sleep better."

To ease the way for the Communists, we should make it clear in advance that, in exchange for liberation, we would be prepared to make some concessions to Soviet desires in other areas. If Khrushchev truly wants a "reduction of tensions," there is no more effective measure he could take than to negotiate a package agreement with the West in which liberation is exchanged for such concessions as a European security pact, increased East-West trade, partial disarmament, and conceivably, even some long-term credits.

Let me restate my principal argument, in closing. The active commitment to the ultimate liberation of the captive peoples, in addition to endowing our diplomacy with a power of deterrence it does not now possess, would strengthen our position politically because it is in harmony with the right moral principles on which our faith and civilization are based.

Admittedly, the Kremlin would not like it. But only by doing so can we effectively cope with Khrushchev's hydrogen missile diplomacy; only by doing so can we rekindle the flagging faith of our scores of millions of allies behind the Iron Curtain; in the long run, it may not be too much to say, only by doing so can

peace be preserved and freedom under the rule of God prevail on earth.

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

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

REPORT ON MEETING OF THE ATLANTIC CONGRESS, JUNE 5 TO 10, LONDON, ENGLAND

Mr. JAVITS. Mr. President, I have just returned from London where, with the indulgence of the Senate, I attended the Atlantic Congress which was held from June 5 to 10. There were present 650 parliamentarians and leading civilians of the NATO countries.

Mr. President, I speak today because it is my conviction that powerful backing for the position on Berlin being taken at Geneva by the leading members of the NATO alliance was given at the Atlantic Congress just concluded in London. The resolutions passed by the five main committees of the 650 parliamentarians and leading civilians of these NATO countries and the decisions made on contested questions all backed up the Geneva position of Secretary of State Herter and his colleagues.

Mr. President, as I shall develop in this speech, negotiations at any price, even at a summit meeting, are not called for—not as I read the signs in London.

The debate in London was very active, and the subjects discussed most important to the free world, as well as to the conduct of the negotiations at Geneva.

Full support for the main pillars of the Western position all emerged from the Congress; first, the support of NATO as an effective defense deterrent to Communist aggression, military or economic; second, the need for a massive partnership attack on the problem of more effective public and private economic aid and technical assistance programs for the less developed areas in Africa, Asia, and Latin America; and third, a renewed determination to articulate and present the free world's policy and position in the cold war.

There were certain straws in the wind in London which showed which way NATO sentiment is going. I should like to analyze them.

First, there was the decision to retain the integrity of NATO military preparations, and not to jeopardize them by assigning a new role on airborne atomic weapons to France under present conditions.

Second, there was the decision to channel any new economic aid directly or through and with United Nations agencies instead of only through and with the United Nations agencies.

Third, there was the decision to maintain the position that the West continues to challenge the legality of the sup-

pression of free institutions, and the denial of free elections in the East European satellites of the Soviet Union.

I should like to analyze each of these points in turn. First, there was the decision to retain the integrity of NATO military preparations and not to jeopardize them by assigning a new role on airborne atomic weapons to France under present conditions. In that regard, the report of the military committee was not satisfactory to the French delegation, and the French delegation, through General Delut, a very distinguished member of that delegation, moved an amendment in order to carry out the reported attitude of the French Government regarding the organization of NATO and the deployment of atomic weapons on the continent of Europe.

After a rather considerable debate the Congress, by a substantial vote, not only rejected that position, but also went further and, upon the motion of Gen. Fred Anderson, of the United States, who was a delegate, adopted the original report of the Military Subcommittee, as recommended to its main committee, which was more precise and vigorous in terms than the report adopted by the main committee, in terms of standing by the present organization of the NATO defense, the present assignment of nuclear weapons, the present way in which nuclear weapons are to be handled, and the present way in which direction for their use is to be given.

The most significant part of that debate, which was spirited and thorough, was that after the rejection of the amendment of the French delegation on European defense carrying out what was advertised to be the French Government's position as we have seen it in the press during the past week, the French delegates nevertheless continued to participate in the Congress most actively and effectively.

That is to be juxtaposed with an experience we had at the NATO Parliamentarians' Conference in November 1958, in Paris, when the French delegation walked out of the Conference after its position had been rejected. This time they did not walk out. They remained. They not only remained, but cooperated.

I deeply believe that this represents a very interesting state of public opinion in France, and is augury that the other NATO powers can get together with France on its defense responsibilities, perhaps through the use of the United States-British model for decision on the use of atomic weapons, which is our situation with Great Britain now, or some new plan as a way out of what now looks like a dilemma.

My conclusion is that the problems between France and the NATO alliance do not at all represent a reason for sapping the will of our negotiators at Geneva. This is what I bring back from London and report to the Senate. I think that is extremely important, because it has been pointed out that the three things which could induce us to yield more than we should at Geneva are: The posture of the Western World in view of French insistence on participation in the storing of

atomic weapons which are now in the NATO establishment; second; the problems of Adenauer and Erhard in the German Federal Republic; and third, the rumor-story in the London Times to the effect that Selwyn Lloyd, the British Minister, was on his way out.

It seems to me that these are the lightest kind of straws. Everything I saw in London, in connection with the British delegation, the French delegation, and the German delegation, convinced me that the Western World would be untrue to itself if it allowed any such distractions as I have referred to, which occur every day, to deter it from fulfilling its obligations at Geneva.

Far more than reporting on the Atlantic Congress, I wish to affirm, as vigorously as I can, the fact that the Western alliance remains completely unimpaired; that no one will be defeated politically; and that nothing will happen if we decide not to negotiate with the Russians at all, because at present negotiations would be fruitless. That includes a summit meeting. I believe it is high time to make that clear. Negotiations at any price may sometimes be taken by the Russians as an expression of weakness. I am for negotiations, provided negotiations can be conducted with dignity, not on any sellout basis, or any theory that we must have them for political reasons. We do not have to have them unless they will be fruitful, dignified, and have character in terms of security in the Western World. I am here to report that there is security in the Western World, and that there is support for its purposes.

The first decision which was taken was to retain NATO military preparations as they are; that is, with the channelization and the organization which exists today.

The second decision was to continue to channel any new economic aid directly or through and with the United Nations agencies, and not to confine it only to channeling through the United Nations agencies. This was a very important decision. The request for a change originated with certain members of the British delegation. It was spiritedly fought and rejected by an overwhelming vote, including many votes from the British delegation, the determination being that NATO, too, has a character and purpose in the world; that more money could be obtained in that way, through the NATO organization, by bilateral action as well as multilateral action, among NATO countries for economic aid and technical assistance than could be obtained only through the United Nations. It was decided that we were not so scared of our objectives, or what the world might think of them, that we would have to limit ourselves by saying, "We will do this only through the United Nations."

There was testimony to the effect that even the noncommitted nations were not refusing aid because it came from countries in the NATO alliance. India is one of the greatest noncommitted nations—perhaps the largest and most important of them. She was very glad to make a deal with the United States, Japan, and

United Kingdom, West Germany, and the International Bank for Reconstruction and Development in order to get help with her 5-year plan. She was not at all bashful or inhibited.

The third point which showed the way the wind was blowing came in the decision that the West should continue to challenge the legality of the suppression of free institutions and the denial of free elections in the East European satellites of the Soviet Union. That decision was on a motion from the floor, which carried by an overwhelming vote. The idea was to show that the West would not, as a price for negotiations, pander to the Russians and their enslavement of the peoples of central Europe, or selling out those peoples.

That does not mean that we would drop arms on Czechoslovakia or Poland or Hungary. On the contrary, the Western people are not going to use force. However, we will not yield on a matter of principle and go to a summit conference, which some persons believe might be politically useful, merely because Khrushchev wants to hold one. That is not intransigence. It is far from intransigence. It is a part of the character of the Western World and of the whole free world.

So I believe that these three positions which were taken, not merely by the parliamentary representatives of the free governments, but also by leading citizens of those countries, after full and free debate, are extremely significant in terms of the basis of the NATO alliance and the fact that the peoples of the free world have backbone, too.

The attitude expressed in London would be perfectly understanding of the fact that fruitful negotiations could not be carried on but may have to be deferred. In short, I do not believe that the West is in a position where it must undertake a summit meeting on Berlin and Germany for political reasons in the NATO alliance, but on the contrary that the peoples of the NATO countries understand that to undertake negotiations for political reasons without a climate of some kind of reasonableness in both negotiating sides is tantamount to an implied willingness to concede some elements of points regarding the occupation status of the presence in Berlin of the three Western allies, which the cause of the free world will just not permit of yielding. I hope therefore that the West's negotiators at Geneva will be encouraged by what took place at the Atlantic Congress to show high morale, both with respect to their negotiations and with respect to a summit conference, and that President Eisenhower's words on that score will be implemented.

The President, on March 25, at his press conference, said:

I want to make this very clear: That this (desire for peace) doesn't mean that anyone can command anybody else to come to a summit meeting. And you can't bluff them or blackmail them or anything else. This is to be a meeting if there is one, of heads of government who are acting voluntarily and because of their belief in the possibilities with some kind of grounds for such a belief that real measures can be discussed profitably by all of us.

On May 29, 1959, the White House issued a statement in which the following appears:

The President likewise expressed the hope that on their return to Geneva the foreign ministers would be able to achieve that measure of progress which would make a subsequent meeting of heads of government desirable and useful.

This morning we are reading some tough words by Mr. Gromyko in Geneva. I also understand that Gromyko and our Secretary of State will have a private talk today. The whole purpose of my report to the Senate today, which I prepared quickly, having just returned from London this morning, because I thought it would be most useful to make it now, is to make plain that there is no reason I could find at the Congress in London why Christian Herter, Couve de Murville, Selwyn Lloyd, and the representative of the German Federal Republic have to do anything but stand by their guns of decency and character.

They are willing to negotiate anywhere, at any time, under any conditions, if there is a reasonable prospect of accomplishing something. However, merely to negotiate, to wave a piece of paper in the air, as Chamberlain did after Munich, is not a part of the Western World, and the Congress in London showed that there is no political reason for doing so, so far as the Atlantic alliance is concerned.

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

Mr. JAVITS. I am glad to yield to my colleague.

Mr. KEATING. This is a very important and encouraging report which my colleague has brought back from the Atlantic Congress in London. Following the statement of President Eisenhower, which the Senator had quoted, he will remember there was the suggestion coming from high and respected quarters that failure of the Geneva conference might make it all the more necessary to hold a summit meeting, and all the more desirable that such a summit conference be held.

Such a proposal seems to me to run completely counter to principle. We cannot allow ourselves to be threatened. As an absolute minimum for going to the summit, the Soviets should remove their threat to act unilaterally in Berlin, either now or next month or next year. That is the minimum understanding upon which we should agree to go to a summit conference. It seems to me that what the distinguished Senator from New York has said to us should give the President and our negotiators very forceful backing, and we can only hope that they will continue to stand for the principles to which the people of this country are dedicated.

Mr. JAVITS. I am very grateful to my colleague for his statement. I should like to point out that, while we cannot set the conditions—because, after all, that is a function of the negotiators, particularly as to exactly what they want in the case of Berlin—certainly my colleague and I, and I believe also an overwhelming majority of the American people, know that so long as our legal

status in Berlin is questioned—and that is what Gromyko is doing, because he says we do not belong there—there is nothing which should cause us to go to a summit conference. If we are there by Russian permission or sufferance, what is there to negotiate? There is nothing fruitful to be gained by negotiating something which the Russians want to negotiate if it means conceding a basic principle. That we cannot do.

I am delighted that my colleague has asked me to yield on this point. It is extremely important to note that the Atlantic conference, composed not only of parliamentarians, but of an overwhelming number of leading citizens of the Western nations, backs us up.

Mr. KEATING. Leading citizens also of our allies.

Mr. JAVITS. Yes; that is the point I was making. They are leading citizens of the other NATO countries. They were all represented, except Iceland. For reasons which are internal to Iceland and Great Britain, in connection with the fisheries dispute, the representatives of Iceland did not attend. The other countries all back up this position. I am giving proof of it in this speech.

I should like to make a brief report on the London conference which may be of interest to my colleagues. As I have said, the dates were June 5 to June 10. The Atlantic Congress was opened by Queen Elizabeth and Prime Minister Macmillan. It was actively participated in by the American delegation. The American delegation was very privileged to have in it the Senator from Tennessee [Mr. KEFAUVER], who presided over one of the plenary sessions. He was chairman of one of the main committees, and generally had a very large part in the success of the conference.

I, too, had the honor of being appointed a chairman of one of the main committees, as well as chairman of one of the subcommittees, and participated actively in the conference. The Senator from Indiana [Mr. HARTKE] also was there for as long as he could remain, until he was called back by a situation which required his presence in the United States.

A fine House delegation attended also, led by Representative WAYNE HAYS, of Ohio. It participated in a very distinguished way in the deliberations of the subcommittees and main committees and plenary sessions.

The American civilians were outstanding, particularly Eric Johnston and Lewis Douglas, who were the leaders of the American delegation. They worked in the highest echelons of the Congress. Eric Johnston, as one of two Americans, with Paul Van Zeland, was a member of a group which worked out the final declaration of the Congress.

I think that in every way the high quality and character of the American delegation and its personnel in the Atlantic Congress reflected the greatest credit upon the people of the United States and their participation in NATO activities. I believe so strongly on this score that I am inserting in the CONGRESSIONAL RECORD, as soon as the edited

copy is available, a list of the American delegation to the Atlantic Congress, both civilian and parliamentary alike.

Mr. President, the resolutions of the Atlantic Congress agree on the main pillars of the Western position in respect of our struggle with the Communist bloc. These are the essence of the main resolutions which were adopted at the Atlantic Congress:

First, that NATO must be kept effective and viable as a military shield and a deterrent against aggression.

Second, that there is confidence in the atomic deterrent as now deployed.

Third, that nuclear disarmament requires appropriate guarantees of inspection and control under U.N. auspices.

Fourth, that there is a need and duty of the West to help bring about an acceptable rate of economic and social development and political self-determination of peoples of less developed and newly developing areas who accept international responsibilities for human rights and dignities in the community of nations and maintain free institutions.

Fifth, that these aims require the maintenance and support of collective and regional organizations for security and development and of the United Nations and its agencies.

The Atlantic Congress also favored a massive effort to afford an acceptable rate of economic development and of trade for the less developed areas of the free world through partnership action by the countries concerned. Specifically, the Congress favored an International Development Association as suggested by Secretary of the Treasury Anderson of the United States, this association to make international loans to less developed areas by way of public investment, which could be repayable in local currencies.

Mr. President, a similar proposal, one of the same general nature, has been made on the floor of the Senate by the junior Senator from Oklahoma [Mr. MONROE]. The theory of the proposal is to have an international agency which would make loans, which would come between the kind of loans which a government makes, such as the United States makes under its economic aid programs, and the kind of loans which are made by the World Bank. They would essentially be repayable in soft currencies. Perhaps, even, the soft currencies of one country could be used to make loans in other countries. This proposal has a tremendous potential, and the Atlantic Congress endorsed it very enthusiastically.

Also, the Atlantic Congress favored the consideration of the idea of a World Development Corporation for massive private investment by free world citizens in the less developed areas. The committee did not go into specifics.

I have introduced a bill (S. 1743) which proposes more specifically the idea of a World Development Corporation, but the Atlantic Congress did not go into specifics; it said only that the idea of providing means for small investors is worth considering, and urged that it be considered.

The Atlantic Congress favored consideration of the idea of a World De-

velopment Corporation for massive private investment by free world citizens in the less developed areas. And it favored the reorganization of the Organization for European Economic Cooperation into an Organization for Atlantic Economic Cooperation to facilitate these efforts.

I wish to add a word of description in that regard. The Organization for European Economic Cooperation has been responsible for some very fine achievements, especially in the economic phases of the Marshall plan. Subsequently, it has concerned itself with productivity and also with financing intra-European developments in areas such as southern Italy and other places which have difficulties economically.

The proposal now is to use this agency, expand it, and include the United States and Canada, which are now present as less than full members—as a kind of observer—and to utilize this agency on a partnership basis for the purpose of grouping the North Atlantic countries and enabling them to give economic aid and technical assistance, which a good many of these countries are now able to do. Germany is able to do it; the United Kingdom is able to do it to some extent. Tomorrow it is very likely that France will be in a position to do so. The same is true of other countries in the North Atlantic group. This assistance would be invaluable to the United States in terms of carrying on an adequate foreign aid program. First, it would help us with the obligations we are carrying; second, it would increase the size of the whole program; and an increase in size is urgently needed by reason of the world situation. I regard this as a very important recommendation. I shall detail in a few moments how its implementation may be accomplished.

The Atlantic Congress also determined to seek to counter the dangers to the free world, due to the extreme short-term fluctuations in basic commodity prices, with partnership arrangements to cushion the fluctuations or to finance them through such media as the International Monetary Fund.

Mr. President, here I am dealing with economics. I had the honor to be the head of the Economic Activities Committee, as it functioned under my chairmanship.

I point out that we can give a nation such as Brazil or Chile or Malaya or Ceylon, or any one of a dozen other countries in the world which rely essentially for their economy on one or two commodities, hundreds of millions of dollars worth of aid in the course of a year; but a drastic decline in the price of any of those commodities in the course of an afternoon could wipe out the benefit of all that aid. This is one of the very great challenges to the free world. It is urgently required that we take cooperative means to help to deal with it.

The Atlantic Congress recommended arrangements for that purpose. There are all kinds of arrangements which could be made. One which I have mentioned here is through the International Monetary Fund, which can finance countries which are subject to this kind of

pressure over a short period of time, so that they do not have to throw their commodities onto the market in order to eat until such time as the commodity market rights itself.

In many other ways, international commodity agreements could be reached in order to accomplish this objective. The Atlantic Congress expressed its desire that this be done.

The Atlantic Congress also determined to seek the establishment of a NATO Economic Council within the existing NATO organization with responsible representatives from each government to counter economic warfare in aid and trade which may be launched against the free world by the Communist bloc, as for example, in recent dumping sales by the Communist bloc of aluminum, flax, residual fuel oil, benzene and other commodities; and to meet the Communist propaganda drive through some coordinated effort on the part of the NATO countries and the free world generally and to consider a new unofficial organization for that purpose.

To allow such dumping on the part of the Communist bloc could wreck the world just as effectively as armed aggression. I consider this to be an extremely important recommendation, coming from nations grouped in the NATO alliance and the rest of the free world. The activities of the Communist bloc countries are far more subtle and very much harder to detect and very much harder to arm against. I think the Atlantic Congress has performed significant service in alerting us to this danger and in showing us how it may be dealt with.

We have considered a new, unofficial organization, which would evangelize, so to speak, and do things which governmental organizations could not do. I see this as a tremendous opportunity for organizations such as the Rotary and Kiwanis Clubs, and also for organizations such as the advertising clubs and associations of the United States. They could do extremely useful work in this area if they set their minds, hearts, and resources to doing it.

Also, there are organizations of the communications media which could help. The newspaper publishers, the magazine editors, the press associations—all of them could be enlisted in such an unofficial organization.

So, Mr. President, I summarize as follows:

I think it may fairly be said that the Atlantic Congress could well have marked a milestone in the development of cooperation among the NATO countries, for it emphasized the recognition that neither bilateral efforts to deal with the economic offensive in aid and trade of the Communist bloc nor international efforts were adequate, but that a partnership effort among the leading industrial nations of the free world, most of which are in NATO, under a new partnership method, had to be marshaled in the economic struggle which lay ahead. This was the most significant development of the Congress, in addition to its fortifying the determination to maintain the dignity and effectiveness of the Western

position, which I urge upon our negotiators at Geneva.

Mr. President, a number of us here are intimately concerned with the activities of the NATO parliamentarians organization which will meet in Washington in November of this year; and many of us are concerned with other organizations of a cooperative character. Furthermore, the governments which are concerned in NATO will, I am sure, pay very serious attention to the recommendations of the Atlantic Congress.

I, for one, will say that, as Chairman of the Economic Committee of the NATO Parliamentarians, I shall do everything within my power to obtain the cooperation of that Committee and of the organization to implement the decisions made by the Atlantic Congress; and I believe all of us will make every effort, within our individual governments, to have serious attention paid to these resolutions, because it seems to me they have already performed an enormously important service in showing the relative unanimity of opinion which backs up the decisions made at Geneva. They show that there is no need to seek to negotiate with the Russians at any price, for political reasons, so far as they exist within the NATO alliance, while at the same time they support negotiations at any time, under any conditions, that have the remotest reasonableness attached to them.

Finally, Mr. President, it is my hope that the governments concerned, the NATO organization, the NATO parliamentarians, and other organizations will now seek to implement the resolutions of the historic Atlantic Congress, so that we may utilize the tremendous forces which exist within the NATO powers, not only for military defense, which has been its primary purpose, but also to combat the far more insidious and far more dangerous economic aggression to which we are being made subject today by the Communist bloc.

I hope very much that serious consideration will be given to what I have said.

As soon as the definitive resolutions are offered, I shall introduce them into the Record.

I am quite confident that if our colleague, the Senator from Tennessee [Mr. KEFAUVER], were with us today, he would make a most effective and most important contribution to this discussion; and I know that I and others will look forward with great interest to his report, as soon as it is prepared.

Mr. President, I yield the floor.

RADIOACTIVE FALLOUT FROM THE TEST SHOT DIABLO

Mr. CHURCH. Mr. President, the problem of radioactive fallout from nuclear testing is, and will continue to be, a source of growing concern as long as accurate information about the intensity and damaging effect of this silent rain continues to elude us.

An important example of how much we still have to learn was contained in a June 7 article by Edward Gamarekian, published in the Washington Post and Times Herald. This article gives some disturbing information about the effects

of a few of many atomic explosions that have taken place at the Nevada test site. In tracing the path of a test shot called Diablo on July 15, 1957, the article points out that "winds carried the fission products in a northeasterly direction over parts of Utah, Idaho, Colorado, and North and South Dakota. From there, part of it went on into Canada and part looped southward toward Texas."

A chance rainstorm brought with it a particularly high level of radiation to the small town of Belle Fourche, S. Dak. How many other towns have been similarly afflicted by other tests we do not know.

After surveying the information, the article concludes that "no one really knows where the hot spots are or what doses of fallout have been received by communities throughout the country."

Mr. President, I ask unanimous consent that this article be printed in the Record following these remarks.

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

SERIOUS FALLOUT CASES UNCOVERED IN MIDDLE WEST

(By Edward Gamarekian)

A number of serious cases of atomic fallout in the Middle West have come to light as a jarring sequel to the congressional hearings on fallout early last month.

The radioactive end-products from atomic weapons exploded at the Nevada test site in 1957 were carried by high altitude winds over States many hundreds of miles away and then were suddenly brought down by local showers. In several parts of the country, unexpectedly high and extraordinarily disturbing levels of external radiation and strontium 90 resulted.

These events were generally unpublicized. In some cases, they were discovered by accident. In other instances, they were not known until long after the event.

NO ACTION TAKEN BY THE COMMITTEE

Several cases were reported to the Joint Congressional Committee on Atomic Energy prior to and during the fallout hearings from May 5 to 8, but there was no discussion or even mention of them. The committee did not inquire during the hearings on what was happening in the Nation's hot spots despite the ominous note in reports to them from scientists in several Midwestern universities.

The reports, together with independent investigation, reveal the following neglected segments of recent fallout history:

The 1957 tests at the Nevada site began on May 28. Part of the radioactive debris from each shot came down close to the test area. Part of it went up into the atmosphere, however, and was carried across the country over various routes. When rainfall happened to coincide with the passage of a radioactive cloud over an area, it usually washed down a substantial amount of the radioactive material.

No one appears to know exactly where the debris from all the tests came down to earth. The Atomic Energy Commission states it has neither the funds nor the manpower to do checking of that sort.

CHANCE DISCOVERY BY PROSPECTOR

By chance, a little was learned about one test shot, which caused considerable alarm. It was a shot called Diablo (Spanish for devil), which was set off on July 15, 1957.

Winds carried the fission products in a northeasterly direction over parts of Utah, Idaho, Colorado, and North and South Dakota. From there, part of it went on into

Canada and part looped southward toward Texas.

As far as can be determined, there was little fallout until the airborne material reached the Dakotas on July 16 and 17.

During this period, there was a light rain over the area. No one suspected anything amiss until 6:30 p.m. on May 17, when a uranium prospector in the little town of Belle Fourche, S. Dak., called the county health officer and reported that his geiger counter was clicking furiously.

"I never saw anything like that before," the prospector, E. A. Lindstad, told the Belle Fourche Post.

According to an account in that paper on July 18, Lindstad called Dr. J. H. Davis, the county health officer, who in turn got in touch with State civil defense authorities. They told Dr. Davis that the fallout would be a matter of concern only if the level of radiation persisted for 24 hours.

The news traveled through the surrounding area like wildfire as civil defense technicians began to make a radiation survey.

Newspapers in neighboring towns quoted officials as saying that the local fallout was almost negligible and there was absolutely no danger.

Belle Fourche, a town of 2,500 in the northwestern part of the State, was apparently the hardest hit. There was considerable confusion about the actual level of radiation, however. Levels of 20, 10, and 4 milliroentgens per hour were measured by civil defense officials. One official calculated that a level of 10, considering the normal decay rate, would produce a total dose of over 3 roentgens in the course of a few weeks.

(A roentgen is a unit of radiation energy. A milliroentgen, or mr, is a thousandth of a roentgen.)

This amount of radiation at St. George, Utah, during the 1953 test series led officials to advise townspeople to remain indoors for several hours. This measure was taken primarily because direct contact of fallout particles with the skin could produce serious radiation burns.

The people in Belle Fourche, however, were not advised to remain indoors during the May 1957 episode as far as can be determined.

A total dose of 3 roentgens is normally received from background radiation in about 25 years. A dose of 14 roentgens from all sources—natural, medical and atomic—is considered the permissible limit for the general population during an individual's entire reproductive period (the first 20 to 40 years). The average person receives about 9 roentgens during this period from natural and medical sources alone.

LEVELS QUESTIONED

The radiation levels reported at Belle Fourche were later questioned by State and U.S. Public Health officials who thought the levels were much too high. They stated, however, that they had made no direct measurements themselves during the early part of the period when the radiation would have been the greatest.

During the crucial period, radiation measurements were made by a chemistry professor from the South Dakota School of Mines.

When the radiation failed to diminish during the following few days, as would normally happen unless the fallout was continuing, there began to be some concern. Radiation experts were called in from other parts of the State.

Capt. John M. Jackson, chief of the radiological section at the Ellsworth Air Force Base, informed the Belle Fourche Post that the radiation was persistent.

"Captain Jackson repeated numerous times that the fallout readings in Belle Fourche are in no way dangerous or hazardous," the Belle Fourche Post wrote on July 24, "but inasmuch as the decline or decay has not

been normal, the civil defense is continuing a check in the event of accumulation."

STREETS WASHED

At this point, the mayor of the town ordered the streets hosed down. There were no further reports. The radiation apparently diminished to what was considered a safe level but it is not known whether this was due to the hosing or the normal decay of the fallout material.

On July 24 and 25 there were two more atomic tests in Nevada, the radioactive debris from which passed over the Dakotas. There were no reports of unusual fallout.

On August 7, however, a weapon named "Stokes" was detonated and the fission products again traveled to the northeast. This time, it rained at Belle Fourche as the radioactive cloud passed overhead. Radiation levels shot up again to 10 mr per hour, according to John W. Willard, the chemistry professor at the South Dakota School of Mines.

As far as can be determined, no action was taken during this period to reduce the impact of the radiation.

If the total exposure from this fallout were equivalent to that from the Diablo shot, the radiation at Belle Fourche from the two tests must have exceeded the permissible limit set by the AEC for persons in the immediate vicinity of the test site. This limit is 3.9 roentgens per year.

NO RECORD

During the 1957 test series, 15 shots produced radioactive clouds that passed over South Dakota. The AEC says it has no record of any other case of heavy fallout but admits it has not been following the situation closely. AEC officials argue that it would take a tremendous amount of manpower and money to keep a close check on atomic test effects all over the country.

U.S. Public Health officials use the same argument.

State health officials in South Dakota and several other States have made similar statements.

All this leads to the conclusion that no one really knows where the hot spots are or what doses of fallout have been received by communities throughout the country.

AEC maps showing the movement of the clouds of atomic debris after each test reveal that these clouds have traveled over every State in the country. Yet, relatively few instances of unusual fallout have been reported so far.

The radioactive debris from the Diablo shot of July 15, 1957, rained down not only at Belle Fourche, S. Dak., but also at Fargo, N. Dak., 400 miles to the northeast. A few people familiar with the Fargo incident report that town officials considered sending out an alarm advising people to remain indoors for a while and then decided against it.

There has never been an official report by any Federal, State, or local agency on what happened at Fargo. There were no newspaper accounts as far as can be determined.

RELATED DISCOVERY

E. W. Pfeiffer, assistant professor of anatomy at the University of North Dakota, discovered a year later that more strontium 90 rained down on Fargo in 1 day during that period than had come down during the entire year in other parts of the country where measurements were made.

The revelation came as a result of some detective work, by the North Dakota scientist. Pfeiffer noticed several months after the Diablo shot of July 15, 1957, that the AEC had reported peak levels of strontium 90 in milk from Mandan, N. Dak., during the month of August 1957. The milkshed at Mandan was one of the four that was being checked each month by the Commission.

Pfeiffer also recalled that the AEC had a fallout monitoring station at Fargo, N. Dak., about 200 miles away. He went back over

the AEC records for that period and discovered that on July 16, enough strontium 90 had come down in the area to give the soil a layer of 24 millicuries per square mile.

NEVER REPORTED

(A millicurie is another unit of radiation. Twenty-four millicuries per square mile is the amount which produces 190 radiation producing disintegrations for every square foot.)

The amount was unbelievable. This much fallout had never been reported to have occurred in this space of time anywhere, either before or since. New York City was the only place in the country where careful measurements of strontium 90 had been made over a long enough period of time to permit a comparison. It took New York almost 2 years to accumulate this amount.

The Fargo figure has never been reported by the AEC.

Pfeiffer published his findings in the autumn 1958 issue of the North Dakota Quarterly. Copies were sent to several Congressmen who passed them on to the AEC and the Senate-House Committee on Atomic Energy. Other copies were sent directly to the committee. A copy was handed personally to a member of the committee during the fallout hearing last month. The committee has never mentioned the matter publicly.

Representatives of the AEC and the U.S. Public Health Service went out to North Dakota to look the situation over after the 1957 Nevada tests. There were rumors that milk from some parts of the State had gone above the permissible limit and might have to be dumped. What actually happened has been kept secret, but later developments and published data gave credence to the rumors.

CITIZENS SHOCKED

During the spring of 1958, the AEC sent a team of scientists to North Dakota to set up a program for checking the strontium 90 in human bone samples. Spot checks of the milk were made in the five areas in the Mandan, N. Dak., milkshed.

On May 13, 1958, 8 months after the tests in Nevada were over, the people in North Dakota finally learned what had been happening. A front page story in the Grand Forks Herald, headlined "High Level Found in 'North Dakota Milk,'" shocked the town with the statement that there was more radioactive strontium 90 in the milk at Mandan than anywhere else in the world. At the time, milk was being checked at 30 stations around the globe.

A member of the AEC team disclosed that the concentrations exceeded 20 strontium units, which was four times the world average, but he would not reveal how high the levels had actually gone. It was not until Pfeiffer published his article a year and a half later that the public learned that the strontium 90 concentrations were almost double this amount at North Soo, one of the areas in the Mandan milkshed.

The May 13 statement by AEC was carried by newspapers throughout North Dakota and the surrounding States. The people in the region, panic stricken, swamped public health authorities with calls to find out where they could obtain safe milk. Officials hastened to assure everyone there was no cause for alarm.

STILL NOT DANGEROUS

The North Dakota State Health Director, Willis Van Heuvelen, told reporters, according to a story in the Grand Forks Herald, "there was no reason to shun milk since the concentrations of strontium 90 found by the AEC were not in the dangerous range." He indicated that radiation could not be completely avoided since there was a little radioactivity in all foods and in drinking water as well.

Pfeiffer said in a telephone interview last week that the degree of variation discovered

from place to place in May 1958, when the average concentration was 19.1 units, shows that the milk in some parts of North Dakota could have easily exceeded the permissible limit the previous August, when the average was 33 units.

The North Dakota scientist disclosed that he and some others had stopped giving their children milk from the local dairies and had switched to powdered milk from an area in California that has had less fallout.

The Herald reported in its May 13, 1958, edition that a member of the AEC team—J. Laurence Kulp, a geochemist at the Lamont Geological Observatory—attributed the high strontium levels to the Russian atomic tests and said they were not likely to have been caused by the American tests in Nevada.

CONFLICT NOTED

Kulp's statement conflicted with internal AEC reports issued months earlier which showed that the Diablo and Stokes shots had produced heavy fallout at Fargo and Belle Fourche.

While the incidents just described were going on in North and South Dakota, a university scientist in Utah also became concerned about the fallout from the Nevada tests. The test site was only 100 miles away from the southwest corner of his State.

Norman Bauer, a chemistry professor at Utah State University, estimated that some 10,000 people in the southern part of the State had been subjected to an external dose of radiation amounting to at least 30 times what most other persons in the United States have had to absorb and said there was the possibility of unusually high strontium 90 concentrations in that group.

In a letter published in the July 4, 1958, issue of the prominent weekly journal *Science*, Bauer criticized the AEC for setting a permissible exposure level of 3.9 rems per year for those who lived around the test site when 0.5 rems per year was the permissible dose recommended for the general population by the National Committee on Radiation Protection.

"Surely a double standard should not prevail unless the populations concerned are informed and are willing," he wrote.

(A rem is a unit of radiation that is approximately equal to the roentgen.)

Members of the national committee are now using 0.5 rems per year, or, more correctly, 14 rems for the first 30 years, as the permissible limit of radiation from all sources combined—medical X-rays, radioactive sources in the environment, fallout, and atomic wastes.

The committee has not officially announced this limit yet, although the International Commission with which it is affiliated did so recently.

The generally accepted allocation of the 14 rems to 4 rems from sources of radiation normally present in nature and 5 rems from medical X-rays leaves 5 rems in the 30-year radiation exposure budget for fallout, atomic wastes, and other manmade sources.

This means that the 10,000 people in Utah who have received 3 to 4 rems from fallout have just about had their quota for the average reproductive period.

The AEC has estimated that a 30-year dose of 14 rems to the entire population of the United States might lead to as many as 200,000 cases of genetic damage during the first generation and 2 million per generation ultimately.

Bauer complained not only about the external radiation from the fallout, but also about the amount of strontium 90 that has come down.

He estimated that the concentration of this bone-seeking element in southern Utah soil was probably high enough to lead to the accumulation of the maximum permissible limit of strontium 90 in the bodies of those who lived on food grown in the area.

If this happened, it might lead to a 10- to 20-percent increase in leukemia, some scientists estimate, as well as an increase in the number of bone tumors.

During the fallout hearing in Washington last month, some figures submitted in a report showed that the soil at St. George, Utah, contained the highest concentration of strontium 90 ever reported in the world—406 strontium units.

(A strontium unit is measure of the strontium-calcium ratio. It is this ratio, and not the total strontium content, which determines how much strontium 90 finds its way into foods.)

There have been reports of other incidents in sections of Minnesota, Missouri, Washington State, California, Nevada, New York State, and Arkansas.

None of these cases were originally reported by either the Atomic Energy Commission or the U.S. Public Health Service, the two Federal agencies with the greatest knowledge of the situation.

INTRODUCTION OF MODERN WEAPONS INTO NATO DEFENSES—MESSAGE FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, I am advised that the message received from the President today, relating to the introduction of modern weapons into NATO defenses, has been read in the House of Representatives. I ask unanimous consent that the message be referred to the Joint Committee on Atomic Energy and printed in the *Record*, without reading.

The PRESIDING OFFICER (Mr. PROXMIER in the chair) laid before the Senate the following message from the President of the United States, which, with the accompanying papers, was referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readi-

ness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation were recently concluded with three of our NATO partners and submitted to the Congress on May 26. A similar agreement was also recently concluded with our NATO ally, the Kingdom of Greece. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the Kingdom of Greece will enable the United States to cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 11, 1959.

(Enclosures: (1) Agreement with the Kingdom of Greece, (2) copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President, (3) copy of the President's memorandum recording his approval.)

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. BUTLER. Mr. President, on June 9, during the debate on Admiral Strauss' nomination, the junior Senator from Wyoming [Mr. McGEE], criticized Admiral Strauss, as Chairman of the Atomic Energy Commission, for his alleged failure to call the Joint Committee's attention to a letter from the Attorney General to the Defense Department as to the legality of the transfer to Great Britain of information pertaining to the construction of nuclear-powered submarines. At that time I asked the following question:

Was it not the duty of the Department of Defense, which was vitally interested in this

matter and which had received a copy of this letter, to make that information known to the Joint Committee?

Senator McGEE yielded to Senator ANDERSON, for a reply, and the latter stated:

I think it would be proper to inquire what language in the Atomic Energy Act made it necessary for the Department of Defense to submit to the Atomic Energy Commission any information regarding treaties. The law is very plain.

This is an example, again, of what we went through. The law says the Department of Defense shall inform the Joint Committee with reference to certain things. I can get a copy of the actual law. It had nothing to do with treaties. That is why the Attorney General sent a copy to the Chairman of the Atomic Energy Commission and said it should be communicated to the Joint Committee on Atomic Energy, because the Commission is the only group having duties in conjunction with the Joint Committee on Atomic Energy when it comes to treaties or matters of that nature.

I believe that the Senate will be interested in the language of the Atomic Energy Act of 1954 as referred to. Section 202 of this statute provides, in pertinent part, as follows:

The Commission shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the Joint Committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy.

As Senator ANDERSON suggested, the duty of the Department of Defense, as outlined in this statute, does not specifically refer to matters pertaining to treaties or, for that matter, bilateral agreement of any kind. However, it is difficult to understand how the language of the statute can be so narrowly construed so as to exclude any responsibility on the part of the Department of Defense to report to the committee, simply because the matter involved ultimately would be a matter relating to a treaty or bilateral agreement. The transfer of this information to Great Britain obviously related to the development, utilization, or application of atomic energy, and was of the greatest importance to the Department of Defense. To single out Admiral Strauss, as Chairman of the Atomic Energy Commission, and magnify the importance of this letter and the responsibility he had to call it to the attention of the committee, and, in the same breath, to minimize the responsibility of the Department of Defense, which under the statute in many ways had a comparable responsibility, is neither reasonable nor fair.

ONE HUNDRED AND EIGHTY-FOURTH ANNIVERSARY OF ESTABLISHMENT OF U.S. ARMY

Mr. THURMOND. Mr. President, this Sunday, June 14, commemorates the 184th anniversary of the establishment of the U.S. Army by authority of the Continental Congress. From the date of its establishment in 1775 through the years, the relationship which has existed between the legislative branch of the Government and the Army has been a close

one. The action of the Continental Congress in 1775 enabled the freedom-loving people of the Thirteen Original Colonies to wage war successfully for their independence and to set an example for the entire world. The action of the Congress in strongly supporting our Army is the symbol of its high respect for the Army and the fine job it has done over the years, and is now doing. It must be consoling to the citizens of the United States and of the free world to know that Congress realizes the great importance of a strong Army and solidly backs it. As capable as our Army is today, the Congress must be always on guard to see that it is maintained modern, efficient, and ready to strike rapidly in event of aggression.

I would like to remind the Senators of the colorful program honoring Congress, to be held at Fort Myer, Va., at 4 o'clock this Sunday afternoon. There will be a review by the Battle Group at Fort Myer. More important to Members of Congress, the Army Band will play for the first time in public the "Congressional Honors March," written by Lt. Col. Donald T. Kellett, of the Army Legislative Liaison Office, and which is being dedicated to the Congress by the Hon. Wilber M. Brucker, the able Secretary of the Army. During the ceremonies, Secretary Brucker will make some dedicatory remarks.

I hope that all Members of the Congress, and as many members of their staffs as possible, will accept the Army's kind invitation to attend the ceremonies at Fort Myer. I know that I speak for every Member of Congress in thanking Secretary Brucker, Colonel Kellett, and the Army for this high honor and recognition they are bestowing on the Congress as an institution, on the 184th anniversary of the beginning of a wonderful and successful relationship.

I would also like to ask that an informative article entitled "In 1775 Congress 'Adopted' the Army," by Maj. Frederic S. Otis, appearing in the June issue of the Army Reservist, be printed in the body of the RECORD.

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

IN 1775 CONGRESS "ADOPTED" THE ARMY (By Maj. Frederic S. Otis, Inf.-USAR)

Scattered up and down and across the land are monuments, markers, and plaques attesting to actions of historic significance that have taken place at the indicated spot. Many of these recall to our generation heroic actions of the U.S. Army. But strange as it may seem, no marker indicates the birthplace of the Army. Perhaps that is because so many other historic actions took place there. The suggestion is respectfully made, however, that there is room at Independence Hall for mention of the fact that here was created the U.S. Army.

June 14, 1775, is the official birthday of the U.S. Army.

Independence Hall in Philadelphia is the birthplace.

History reveals, however, that what Congress actually did was adopt an Army that was already in being and actually engaged in fighting a war. The Second Continental Congress assembled on the 10th of May 1775 at what was then known as the State House in Philadelphia. George Washington was a Delegate from Virginia and came dressed in his uniform as an officer of the Virginia

Militia. On the same day the intrepid Allen led his Green Mountain Boys against the powerful fortress Ticonderoga at the base of the Adirondacks and won a victory from the British.

The first mention of a military force in the Journal of the Second Continental Congress appears under the date of Thursday, May 25. Congress resolved on that date "that the militia of New York be armed and trained and in constant readiness to act at a moment's warning, and that a number of men be immediately embodied and kept in that city and so disposed of as to give protection to the inhabitants * * *." On the same day they also resolved "that it be further recommended to the Provincial Congress aforesaid that the troops be enlisted to serve until the last day of December next unless this Congress shall direct that they be sooner disbanded."

Thus the Delegates to the Continental Congress passed the responsibility to raise the troops to the New York officials but kept the authority to disband the troops to themselves.

NO LEGAL POWER

Actually the Second Continental Congress was an illegal organization, had no legal right to pass an order, and certainly no power to execute it. The Colonies looked to the delegates to produce a change in a perplexing situation, so their powers may have been illegal but they were able to meet, to consult, and to agree on an action. And since a majority of the citizens of the Colonies were willing to accept their authority, the end result was the same as if their acts were based on established laws.

On the 31st of May the Congress resolved "that the Governor of Connecticut be requested immediately to send a strong reinforcement to the garrison of Crown Point and Ticonderoga."

The following Saturday the budget problem first raised its ugly head in Army matters. On that day, June 3, Congress "upon motion resolved that a committee be appointed for the purpose of borrowing the sum of 6,000 pounds for the use of America, for the repayment of which with interest, the Congress will make full and ample provision, and that the said committee apply the said sum of money to the purchase of gunpowder for the use of the Continental Army."

FIRST STEP IN ADOPTION

This is the first mention in the Journal of the Continental Army. It was the first step in the adoption proceedings. Having provided their new Army with the wherewithal for gunpowder, on the following Friday, June 9, the delegates "Resolved, That the Provincial Convention of New York be requested to convey as soon as possible in Providence in Rhode Island or any port in the government of Massachusetts Bay, 5,000 barrels of flour for the use of the Continental Army."

On Wednesday, June 14, 1 month and 4 days after they first assembled, and 3 days before the Battle of Bunker Hill, Congress took the action that is officially credited with being the creation of the Army. Under that date the Journal reads as follows:

"Agreeable to the standing order of the day, the Congress resolved itself into a Committee of the Whole, to take into consideration the state of America; and after some time spent thereon, the President resumed the chair, and Mr. Ward reported that the Committee had come to certain resolutions, which he was ordered to report; but not having come to a conclusion, they desired him to move for leave to sit again.

RAISE MORE TROOPS

"The resolutions being read were agreed to as follows:

"Resolved, That six companies of expert riflemen be immediately raised in Pennsylvania, two in Maryland, and two in Virginia; that each company consist of a captain,

3 lieutenants, 4 sergeants, 4 corporals, a drummer or trumpeter, and 68 privates.

"That each company as soon as completed, march and join the army near Boston, to be there employed as light infantry, under the command of the chief officer in the army.

"That the pay of the officers and privates be as follows: Viz, a captain \$20 a month; a lieutenant \$13½ per month; a sergeant, \$8 per month; a corporal, \$7½ per month; a drummer or trumpeter the same; private, \$6½ per month; to find their own arms and clothes.

"That the form of the enlistment be in the following words: 'I have, this day voluntarily enlisted myself as a soldier, in the American Continental Army, for 1 year, unless sooner discharged. And I do bind myself to conform, in all instances, to such rules and regulations as are, or shall be established for the government of the said army.' Upon motion, resolved that a committee of five be appointed to prepare rules and regulations for the government of the army.

"The following persons were chosen to compose that committee: Mr. Washington, Mr. Schuyler, Mr. Deane, Mr. Cushing, and Mr. Hewes."

SELECT WASHINGTON

The following day George Washington was chosen to be commander in chief. Some historians credit the suggestion to John Adams. Others say it was a gesture by a committee made to obtain the cooperation of the southern colonies, and in view of the fact that Washington was the only delegate to the Congress who had appeared at the meetings in uniform, reminding them of his military experience. Henry William Elson, in his "History of the United States" describes the selection of Washington in these words:

"George Washington, at the suggestion of John Adams, was chosen to be commander of the army. As Adams described, in an elaborate speech, the high qualifications necessary to the position, and reserved mentioning the name of his choice to the close, Washington sat near and watched his face intently, and hearing his own name mentioned, perhaps without any expectation of it, he quickly arose and went into an adjoining room."

Having provided manpower, gunpowder, flour, and a commander for the army, Congress waited more than a year, until July 4, 1776, to declare their independence from England their Army was engaged in fighting. On that day the Liberty Bell rang out, giving notice of their declaration. The Philadelphia State House became the first Capitol of the Independent United Colonies, and from that day the birthplace of the Army and of the Nation was known as Independence Hall.

ECONOMIC GROWTH

Mr. BENNETT. Mr. President, yesterday the distinguished senior Senator from Minnesota [Mr. HUMPHREY] discussed at some length the threat posed by the economy of the Soviet Union, and stressed the differences in the growth rates of that country and our own.

While I think Senator HUMPHREY is to be commended for calling our attention to this threat—and it is a very real one—I think the true picture is considerably different from the one he painted, both with respect to the Soviet economy and our own. And I particularly would like to discuss the implication that we must double our present economic growth rate in order to meet the Russian threat.

In my opinion, this idea is not only erroneous, but actually dangerous. In a moment, I shall try to explain why.

But, first, in order to understand the problem we face, we must understand what economic growth involves. Today, there seems to be a sharply increased interest in the growth of our economy; and this is encouraging. For too long, now, too many of us have been more interested in sharing the wealth created in the past than in creating sound growth for the future. Unfortunately, some of this current sudden interest in growth seems just a little frantic and fear-inspired; and this is disturbing. If our goal is no deeper than the temporary satisfaction of quick statistics to cover up our chagrin over the disappointments of our recent economic recession, or over the somewhat greater current progress of the Soviet Union, we may be led to accept ideas that will either create the illusion of growth, or force it for today and weaken it for the future.

The most tempting of these ideas for quick growth is inflation. Nothing grows faster than a child's balloon. No cells in the human body multiply as fast as those of cancer. Those who clamor for a faster rate of growth—5 percent, instead of our productive and historic 120-year average of 3.7 percent—are often the same people who think a little inflation is desirable or even necessary, and they also seem to think that the Federal Government holds the keys to economic growth and could easily guarantee it, if it only would.

As a first step in putting this desirable goal of economic growth into perspective, let us stop long enough to reorient our thinking about the essential elements of growing.

Obviously, to grow means to increase—in size, in strength, in numbers, in variety, in complexity—in fact, in any quantitative or qualitative manner. But it has deeper and more significant meanings than this. Essentially, it refers to a development natural to a living organism. Growth connotes a dynamic expansion produced from within by inherent and internal forces—not a passive enlargement resulting from actions by an outside force, as in the case of the child's balloon.

But is all growth internal? Can we not do something from outside? Of course we can. The verb "to grow" has two forms—intransitive and transitive. The intransitive form, which represents the idea of expansion from within, contains the essential concept. But we also use the transitive form as a synonym for the word "to cultivate" or "to help to grow." We can say of a farmer, "He grows wheat," or of his wife, "She grows flowers." But this is only possible because wheat and flower seeds have within them the essential germ of life, with its capacity to reproduce plant, flower, and seed through a life process. Essentially, the farmer and his wife cannot cause growth; they can only work to create the environment in which the plants' inherent capacity for growth will either be limited or allowed to function at its best. These observations about growth in general are simple and obvious. But in our

type of society they are essential to our discussion of economic growth, because the capacity for production of ideas, skills, capital, tools, products, and distribution systems, which are the seeds of our economic growth, are vital and living capacities of individuals, not of governments.

Growth can be sound, healthy, and productive, or it can be unsound, infirm, and sterile. When we have sound growth, each new development is a step forward in a continuing process that promises further increase in the future. Healthy economic growth never destroys the many vital and delicate balances that give hopeful assurance of a fruitful future. These include the balance between today's consumption and tomorrow's security, between production for use and production of seed capital from which future production can grow. Sound growth is never temporary or terminal, passive or purposeless, whimsical or wasteful. It never sacrifices the future for the present.

WHERE WE STAND

Looking back over our history, we Americans can be well satisfied with our achievements which, in about two centuries, have brought us from a tiny dependent colony to the richest Nation in history. Yet suddenly we are fearful of the future. Why? Like a man who drives a modern car which he does not understand, have we begun to sense that something might be wrong which we do not quite know how to fix? Are the economic gages on our economic instrument panel signaling trouble?

I think the gage that records inflation has finally caught our national eye and set us worrying. And, in our post-sputnik preoccupation with Russian industrial progress, we suddenly fear that they may be overtaking us in the race for economic world leadership. Essentially, this concern is healthy, and will be of priceless value if it spurs us to correct those of our policies which weaken or inhibit our own growth. Fortunately, this is a field in which a vast body of fairly accurate data is available.

Before we try to measure where we are going, and how fast, let us find out where we are today. The simple answer is that we are the richest Nation on the earth today and in the world's history, though we have never been the largest in size or population. We have about 6 percent of the world's population and occupy about the same percentage of its land area. But in terms of economic progress and productive might, these small figures are replaced by giant ones. We produce and consume one-third of the world's goods and services. One-half of the world's manufactured goods comes from American factories. Two-thirds of its automobiles are registered in the United States, one for every 2½ persons, which is 10 times the world average and 24 times the Russian average. We produce half the world's oil, 40 percent of its electricity, and have one-fourth of the world's railroad mileage.*

* Actually 3.66 percent, based on 120-year trend. From the testimony of Raymond W. Goldsmith before the Joint Economic Committee Apr. 7, 1959.

* Twentieth Century Fund Survey, "U.S.A. in New Dimensions; Automobile Facts and Figures, 1958," and National Republic Organization.

The aggregate real income of 177 million Americans is approximately the same as the combined income of the 600 million people living in Europe, including the people in European Russia, and far surpasses the total income of the more than 1 billion inhabitants of Asia.*

How did we get this far so fast? During the past century our rate of output has risen so rapidly that the average American worker today produces nearly 8½ times as much in an hour of work as his great-grandfather did in 1850. Measured in 1958 purchasing power, an average hour's work in 1850 yielded 41 cents worth of goods and services, while an average hour's work in 1958 produced an estimated \$3.45 in goods and services.*

And even today, American productivity, meaning the average output per hour of work, is continuing to increase at such a pace that in another century, if present rates continue, we shall be able to produce as much in one 7-hour day as we now produce in a 40-hour week.*

We could even step up this rate if we wished, but significantly, we have chosen to grow more slowly than we might have done in order that our people might have more time for other and equally important satisfactions. While American productivity has steadily gone up, working hours have steadily gone down, from an average of about 70 hours⁶ per week in 1850 to the 40-hour week of today.

Leisure time for recreation for the average employed American has nearly doubled since 1900, and seems likely to increase still further. Figures indicate that since 1910, as our national productivity has increased, we have tended to take about two-thirds of the possible gain in the form of goods and services, and one-third in shorter working hours and increased leisure. Average weekly hours are down 30 percent from 1909—56.8 hours to 40 hours.

Before we can discuss economic growth in detail, we must pause to set up our standards for measuring it.

HOW DO WE MEASURE GROWTH?

Though there are many different means of measuring specific and limited areas of growth, when we refer to the total economic growth of the whole economy, we generally measure it in relation to the real gross national product, using figures which have been adjusted to eliminate the statistical influence of price changes due to inflation or deflation. Since population increases can change the significance of total gross national product growth, we also look at gross national product on a per capita basis.

* Revised from earlier estimate by Twentieth Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 4. Based on "America's Needs and Resources: A New Survey," Frederick Duvhurst and Associates.

* The 1850 figure is from an earlier estimate by the Twentieth Century Fund adjusted to 1958 prices. The 1958 estimate is from the Bureau of Labor Statistics, Division of Productivity and Technological Developments, U.S. Department of Labor. The figure represents real private product per man-hour. It excludes government.

* Twentieth Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 2.

* Ibid, p. 4.

Gross national product can be defined simply as the dollar value of all finished goods and services produced by a nation in a year's time. Economists are careful to point out that this means the unduplicated output of an economy. For instance, the sale of a cake by the grocery store to the housewife is counted as part of the value of gross national product, while the sale of the cake by the bakery to the store, the sale of flour by the mill to the bakery, the sale of wheat by the farmer to the elevator, are all excluded from gross national product.

This definition considers gross national product from the output side and discusses how gross national product is generated. Looking at gross national product from the expenditure or use side, the usual presentation is to group gross national product into four components—personal consumption, gross pri-

vate domestic investment, Government purchases of goods and services, and net foreign purchases. This latter component—net foreign purchases—is the dollar difference in our export and import volume. These separate components of gross national product do not, of course, always change in the same direction at the same time, or grow at the same rate. In a well ordered world at peace, expenditures for national security would be almost nil; but in today's circumstances, we must keep this figure consistent with our defense needs. Today, and as an average for the 13 postwar years, our defense expenditures have been running about 10 percent of gross national product. I ask unanimous consent to have printed in the RECORD a table showing these figures.

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

TABLE I.—Purchases for national defense and personal consumption, percentages of gross national product, 1946-58

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	Average, 1946-58
Gross national product.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal purchases for national defense.....	8.9	4.8	4.5	5.3	5.0	10.3	13.4	13.5	11.3	9.8	9.6	10.1	10.1	9.0
Personal consumption expenditures.....	69.8	70.6	68.7	70.2	68.5	63.8	63.3	63.7	65.6	64.6	64.3	64.6	66.4	66.5
All other.....	21.3	24.6	26.8	24.5	26.5	25.9	23.3	22.8	23.1	25.6	26.1	25.3	23.5	24.5

Source: U.S. Department of Commerce, Office of Business Economics.

Mr. BENNETT. Mr. President, this table shows that two-thirds of our gross national product goes for personal consumption expenditures. Although gross national product is the most comprehensive indicator of national product, the "personal expenditures" component of gross national product is a better reflection of personal welfare.

LONG-TERM GROWTH TRENDS IN THE UNITED STATES

Over the past half century, our gross national product in constant dollars has increased fourfold. Over this same period our population has doubled. Thus each person in our growing population has twice as much in goods and services as each American had 50 years ago.

At this point I ask unanimous consent to have printed in the RECORD a table showing our economic growth over the past 50 years, 1909-59. The data in this table and the basis for some of the commentary regarding it were prepared at my request by the Department of Labor, Bureau of Labor Statistics.

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

TABLE II.—Fifty years of economic growth in the United States
(Constant 1957 dollars)

	Gross national product (billions of 1957 dollars)	Population (millions)	Gross national product per capita (1957 dollars)
1909.....	112.2	90.5	1,240
1919.....	144.0	104.5	1,378
1929.....	196.3	121.8	1,612
1939.....	203.7	131.0	1,555

TABLE II.—Fifty years of economic growth in the United States—Continued
(Constant 1957 dollars)

	Gross national product (billions of 1957 dollars)	Population (millions)	Gross national product per capita (1957 dollars)
1949.....	316.4	149.2	2,121
1950.....	343.4	151.7	2,264
1951.....	370.7	154.4	2,401
1952.....	384.1	157.0	2,446
1953.....	401.5	159.6	2,516
1954.....	393.9	162.4	2,425
1955.....	425.5	165.3	2,574
1956.....	436.0	168.2	2,592
1957.....	440.3	171.2	2,572
1958.....	427.2	174.0	2,455
1959.....	470.0	177.0	2,655

PERCENTAGE INCREASES, 1909-59

Total increase 1909-59.....	319.0	96.0	114.0
Average annual increase ²	3.0	1.4	1.6

¹ 1959 figures estimated.

² Calculated from values in 1st and last year of period. These figures may vary some from other computations using different years.

Sources: (1) Office of Business Economics and Bureau of the Census, U.S. Department of Commerce. (2) Bureau of Labor Statistics, U.S. Department of Labor.

Mr. BENNETT. Mr. President, the estimated gross national output of \$470 billion for 1959 in terms of 1957 prices compares with an aggregate of \$196 billion at the end of the 1920's—the last prewar period of generally prosperous conditions—and with \$112 billion in 1909, these earlier figures also being stated in 1957 prices. This rise represents an average annual growth of about 3 percent thus far this century. The increase in per capita output over the

same period has been at the rate of 1.6 percent per year.

The number of workers holding jobs has expanded by about 1½ percent per year over the past 50 years, but the average length of the workweek has declined as the population has chosen to take some of the improvement in its living standards in the form of shorter working hours. As a result, aggregate man-hours worked have increased by only about 1 percent per year since 1909.

The average annual growth rate of 3 percent in total output over the past half century has been made possible by the 1-percent increase in aggregate hours worked, plus an average gain of about 2 percent annually in output per man-hour worked. The latter is popularly known as the increase in "productivity." This gain in productivity has come from technological and managerial progress, a high rate of capital formation, the development of natural resources, and constant advances in the education and skills of the working population. I shall discuss these in greater detail later.

The 3-percent growth rate, based on the figure in table II, should not be taken as a final estimate of our long-term growth trend. It is not so intended here, though it is probably the most popular figure quoted today. Other expert stud-

ies, looking at other time periods, have placed the rate somewhat above 3 percent. Seldom is the figure placed below that. Since most calculations are made from values in the first and last year of the period chosen, as they are in table II, the rates can vary considerably, depending on the years taken. The longer the time period the less chance for deviations from the actual trend.

Mr. Raymond W. Goldsmith, in a testimony before the Joint Economic Committee on April 7, 1959, traced our growth rates over a 120-year period dating back to 1839. According to his calculations, the U.S. gross national product has grown over this period at the rate of 3.66 percent per year. On a per capita basis, the 120-year rate is 1.64 percent per year. Mr. Goldsmith, in a lengthy qualifying discussion, gave reason to believe that, if anything, his long-term rates are low.

I ask unanimous consent to have printed in the RECORD a table from Mr. Goldsmith's testimony showing these long-term trends. Mr. Goldsmith also divided his 120-year figures into various subgroups. The influence of the depression of the 1930's can be seen in the trend since 1919 as well as in the 50-year figures discussed earlier.

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

TABLE III.—Trend of gross national product and personal consumption, 1839-1959—
Percent increase per year¹

	Entire period, 1839-1959	60-year subperiods		40-year subperiods		
		1839-99	1899-1959	1839-79	1879-1919	1919-59
	(1)	(2)	(3)	(4)	(5)	(6)
A. Gross national product						
1. Aggregate, current prices.....	4.85	4.13	5.59	4.48	5.69	4.40
2. Price level.....	1.15	—10	2.42	1.16	1.91	1.40
3. Aggregate, constant prices.....	3.66	4.23	3.09	4.31	3.72	2.97
4. Population.....	1.97	2.50	1.45	2.71	1.91	1.30
5. Per head, constant prices.....	1.64	1.67	1.62	1.55	1.76	1.64
B. Personal consumption						
6. Aggregate, current prices.....			5.48		5.27	4.49
7. Prices.....			2.18		1.53	1.28
8. Aggregate, constant prices.....			3.22		3.68	3.17
9. Consumers (equivalent adult males).....			1.46		2.01	1.30
10. Per full consumer, constant prices.....			1.74		1.64	1.85

¹ Calculated from values in 1st and last year of period.

Source: Testimony of Raymond W. Goldsmith before the Joint Economic Committee Apr. 7, 1959.

Mr. BENNETT. Mr. President, if we look at the recent postwar years, we find that our growth rate has steepened in the past decade. The gross national product grew 3.7 percent per year over the decade 1948-57. The per capita rate was 2 percent. Though the total output fell 3 percent in 1958, recent announcements indicate that the 1959 gross national product figure will be nearly 10 percent above 1958, demonstrating not only a healthy recovery from last year's recession, but also that our economy, under certain circumstances can produce growth rates in excess of the Russian rates.

U.S. AND U.S.S.R. GROWTH RATE COMPARISONS

In the face of these figures, the recent rapid rates of increase in Russian industrial production and gross national product may seem startling. For his statistics the Senator from Minnesota [Mr.

HUMPHREY] leans heavily on articles by Mr. Herbert S. Levine, who until recently was associated with Harvard University's Russian Research Center. Mr. Levine's latest article appeared in the New Leader of June 1, 1959, and is the second of a series. The figures I shall use were obtained from our State De-

partment, the Office of Research and Analysis for the Sino-Soviet bloc. If there are conflicts in the data, it may be due to the different bases used.

In some comparisons, for instance, the Senator from Minnesota used 1958 figures as the base, and 1958 was a recession year for us.

But, irrespective of the basic data, I will certainly want to put a different interpretation on the figures from the interpretation suggested by the Senator from Minnesota.

Although many Soviet data are unreliable and in need of reinterpretation by our own statisticians, we must recognize that Russia has had a more rapid rate of growth in recent years than we have. Allen W. Dulles, head of the CIA, in a speech on April 8, 1959, recognized the Soviet Union as the second largest industrial economy in the world, and placed its 1951-58 industrial growth, not gross national product, but industrial growth rate at 9½ percent per year as compared with our own average industrial growth rate over the period 1950-57 of 3.6 percent.

Though industrial output figures have important implications, gross national product figures provide a more complete economic comparison of the two countries. Some rough approximations of Soviet gross national product can be computed from data furnished by the Department of State, Office of Research and Analysis, for the Sino-Soviet bloc. Based on these data, Soviet gross national product has grown at an annual rate of roughly 6¼ percent over the 7 years 1950-57. Per capita gross national product over the same period in Russia grew at an annual rate of 4½ percent.

In comparison, the U.S. gross national product grew at an annual rate of 3¾ percent over the 7 years 1950-57, and per capita gross national product increased at an annual rate of 1½ percent.

But before we become alarmed by these comparisons, let us take them apart and understand them better.

A careful analysis of United States of America and Soviet gross national product figures places the United States of America still far ahead of the U.S.S.R. now and for many decades to come. I ask unanimous consent to have printed in the RECORD a table which was prepared by the State Department, Office of Research and Analysis for the Sino-Soviet bloc. The table gives a comparison of United States and Soviet gross national product over the period 1950-58 with estimates to 1970.

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

TABLE IV.—Comparison of United States and Soviet gross national product, 1950-70

	1950	1955	1957	1958	² 1965	¹ 1970
Soviet gross national product (in billion 1957 dollars).....	115	155	175	186	280	370
U.S. gross national product (in billion 1957 dollars).....	343	426	440	427	614	765
Ratio U.S.S.R.-U.S. (in percent).....	34	36	40	44	46	48
Soviet population (in millions).....	182	198	204	207	233	250
U.S. population (in millions).....	152	165	171	174	196	214
Soviet gross national product per capita (in 1957 dollars).....	632	783	858	899	1,202	1,480
U.S. gross national product per capita ² (in 1957 dollars).....	2,264	2,574	2,572	2,455	3,133	3,575
Ratio U.S.S.R.-United States (in percent).....	28	30	33	37	38	41

¹ U.S. estimates for 1965 and 1970 by National Planning Association.

² U.S. per capita gross national product figures are from table II and may not exactly agree with what might be computed from this table, due to rounding.

Source: Department of State, Office of Research and Analysis for the Sino-Soviet bloc.

Mr. BENNETT. Mr. President, between 1950 and 1957 the Soviet real gross national product increased by a value of 60 billion American dollars, in terms of 1957 prices. Ours increased \$97 billion, two-thirds again as much as theirs. Looking at ratios of Russian gross national product to U.S. gross national product the Soviets increased their size relative to ours from 40 to 44 percent during the recession year 1958. But, based on anticipated growth rates over the next decade, Russia's gross national product will still likely be less than half of ours by 1970. The absolute gap was \$241 billion in 1958, but it will grow to \$395 billion in 1970. On a per capita basis Russia's gross national product will still be 40 percent only of ours by 1970.

If the U.S.S.R. should continue to expand by, say, 6 percent per year and the United States by 4 percent, Soviet gross national product would catch up with U.S. gross national product sometime in the next century. But such mechanical extrapolation into a distant

future with unknown technological, social, and political circumstances is meaningless.

Turning to industrial production, Mr. Khrushchev has boasted that Russia will advance to first place in the world in absolute volume and per capita industrial production by 1970. However, this boast assumes that U.S. industrial production will grow at about 2 percent a year, and it assumes a Russian growth of approximately 9 percent per year. Both of these assumptions are absurd.

A 2-percent rate of industrial output is well below the U.S. experience over the decade 1948-57 of 3.6 percent per year. It is expected to exceed 4 percent during the decade of the 1960's. On the other hand there is already evidence that the Russian growth rates are declining.

I ask unanimous consent that a table based on official Soviet statistics be inserted in the RECORD at this point.

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

TABLE V.—U.S.S.R. economic growth rates, actual and planned, 1951-65

	Average year 1951-55 (actual)	Average year 1956-60 (abandoned plan)	Average 1957-58 (actual)	7-year plan 1959-65
National income.....	11.3	10.0	7.5	7.1-7.4
Gross industrial output.....	13.2	10.5	10.0	8.6-8.8
Steel output.....	10.7	8.6	6.3	6.6-7.5
Railroad freight turnover.....	10.0	7.3	9.5	4.9-5.5

Source: Official Soviet sources.

Mr. BENNETT. For the benefit of occupants of the galleries, the Soviet national income has dropped from a rate of 11.3 percent in the period 1951-55 to 7.5 percent in 1958, and it is expected to go down to 7.1 during the 7-year plan. Other figures have dropped at about the same rate.

This table traces Russian growth rates as planned and achieved over the period 1951-58, and the new 7-year plan, 1959-65. These figures show a steady decline in Russian growth rates over the recent past and anticipated future through 1965, it should be noted that according to our statistical experts Soviet national income and industrial output's figures have an upward bias. In addition, Russia's national income concept is not comparable to ours since it includes only material production and excludes most of the services. Thus, these Soviet figures are higher than what our statisticians would accept. But even using this data, there is a clear downward trend in Soviet growth rates.

To put the Russian growth prospects in perspective, it should be emphasized that the Soviet long-term gross national product growth rate dating back to 1913 is roughly 3 percent,⁷ about the same as ours.

One economic indicator which has caught the public eye in United States-Russian comparisons is electrical energy output. Our colleague, the Senator from Massachusetts [Mr. KENNEDY] is reported in the News and Observer of

Raleigh, N.C., of February 12, 1959, to have said:

The Eisenhower administration power policies are permitting the Soviet Union to move dangerously ahead of the United States in developing electric generating capacity.

Yesterday in his statement on the floor our colleague from Minnesota [Mr. HUMPHREY], quoting from Mr. Levine, read the following:

By 1965, the Soviet Union will be producing about 70 percent of U.S. 1957 output of electrical power and fuel energy.

If we read that quickly, we get the impression that the Soviets are producing at the rate of 70 percent of what we are producing in this country. Reading it slowly, it says that by 1965 they expect to produce 70 percent of what we produced 2 years ago. Actually, in 1957 they produced 40 percent of what we produced.

This, again, is based on the ledger-main of percentages and bases. If one

shifts his bases enough, he can come up with percentages on any pattern he wishes.

It should first be noted that Russian electrical output figures are overstated relative to those of the United States. We do not include some small generators which are included in the Soviet data. But more important, the Soviet figures are inclusive of station consumption, that is, electrical energy generated and used in the operation of the generating station. Ours are not. The inclusion of this consumption boosts the Russian output figures by approximately 7 percent.

Keeping in mind this qualification, the Edison Electric Institute reported in the New York Times of April 6 that the U.S.S.R. power ministry has put Russia's 1957 generating capacity at 48 million kilowatts with a goal of 108 million for 1965—a projected increase of 60 million kilowatts. In 1957 our capacity was 146 million, nearly half again as large as Russia's 1965 goal, and our estimated increase by 1965 will be 104 million, little less than twice theirs. If both countries meet their goals, the Russians will have raised their electricity output from one-third of ours to 40 percent of ours. But in absolute figures we will have increased our lead over Russia from an advantage of 98 million kilowatts in 1957 to a greater advantage of 142 million kilowatts in 1965.

LIVING STANDARDS

In his speech yesterday, the Senator from Minnesota [Mr. HUMPHREY] pointed out that the Russians can concentrate on heavy industry, without having to worry too much about consumer convenience. Thus, as he pointed out, the Soviet Union has a shortage of Yo-yos and hula hoops. But the shortage extends also to such items as bread, butter, and houses as well, and here the gap is closing with maddening slowness. Although Mr. Khrushchev has, as Senator HUMPHREY noted, ordered an increase in consumer goods production, he has a long way to go before he will even be in the same league as Western Europe or the United States.

I ask unanimous consent to insert in the RECORD at this point a table of figures furnished me by the Division of Foreign Conditions of the Bureau of Labor Statistics, which shows the comparative working times required to buy certain necessities in New York and Moscow as of April 1, 1958.

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

TABLE VI.—Comparative working times to buy certain necessities in the United States and Russia (as of Apr. 1, 1958)

	New York	Moscow
Foods:		
1 pound potatoes.....	2 minutes.....	6 minutes.....
1 pound bread.....	6 minutes.....	9 minutes.....
1 pound beef.....	22 minutes.....	98 minutes.....
1 pound butter.....	21 minutes.....	208 minutes.....
1 pound sugar.....	3 minutes.....	70 minutes.....
1 quart milk.....	8 minutes.....	36 minutes.....
1 dozen eggs.....	21 minutes.....	144 minutes.....
1 ounce tea.....	5 minutes.....	46 minutes.....
Men's wear:		
Suit, wool.....	3 days.....	39 workdays.....
Pair shoes, black calf.....	1 day.....	10 workdays.....
Cotton shirt.....	1 hour.....	19 hours.....

⁷ Department of State, Office of Research and Analysis for the Sino-Soviet bloc.

TABLE VI.—Comparative working times to buy certain necessities in the United States and Russia (as of Apr. 1, 1958)—Continued

	New York	Moscow
Women's wear:		
Pair shoes, leather	5 hours	57 hours
Cotton house dress	2 hours	15 hours
Other: 3½-ounce cake of soap	3 minutes	20 minutes

Source: U.S. Department of Labor, Bureau of Labor Statistics, Division of Foreign Conditions.

Mr. BENNETT. I believe perhaps the occupants of the galleries would be interested in some of these figures. To buy a pound of potatoes in New York the typical New Yorker worked for 2 minutes. To buy a pound in Moscow his counterpart worked for 6 minutes. To buy a dozen eggs the New York worker worked 21 minutes; the Moscow worker 144 minutes. To buy a man's suit the New Yorker worked 3 days. The worker in Moscow worked for 39 days. To buy a pair of women's leather shoes the New Yorker worked 5 hours. His counterpart in Moscow worked 57 hours.

Let us look at this same situation from another angle.

The United States spends 67 percent of gross national product on consumption, the U.S.S.R. roughly 60 percent. Applied to gross national product in 1957 of \$440 billion in the United States and \$175 billion in the U.S.S.R., and using population figures of 171 million—1957—and 204 million, respectively, the United States-Soviet consumption ratio per capita is about 3 to 1 in favor of the Americans. Actually it is at least 4 to 1. Soviet agriculture and consumers' goods industries, as is well known, are notably inefficient. As a result, the U.S.S.R. uses up a relatively large amount of resources and still produces most unsatisfactory consumer living standards. One cannot compare an American shoe and a Russian shoe.

An example of poor living standards is the housing situation in Russia. Some figures from official Soviet sources¹ will illustrate the difficulties imposed on Russian citizens by totalitarian economic decisions. The Russian housing situation is public record by now. Said Molotov in a speech broadcast by Radio Moscow on January 19, 1957:

We are lagging—and badly—in housebuilding. We are justly reminded of this by the workers.

Using official Soviet figures, it appears that total urban dwelling space was 180 million square meters at the end of 1913, and 640 million at the end of 1955. This is a three and one-half fold increase, assuming the figures are correct. The well-known economist in the Soviet field, Naum Jasny, feels that the 1913 figure is understated, and thus the improvement is less than stated by these figures. At the same time the urban population, in corresponding boundaries, rose from

24.7 million to approximately 85 million over the same period, also three and one-half fold. This means that the space per head was as low in 1955 as in 1913 and urban housing in Czarist Russia was inferior to that of other European countries, to say nothing about the United States.

In absolute figures the dwelling space per head was 7.3 square meters in 1913 and 7.5 in 1955. This space—dubbed "total living space"—includes utility space such as staircases, hallways, store-rooms, kitchens, and lavatories, for joint use, and so forth. However, this total space is 160 to 170 percent of the actual living space proper. In other words, it is overstated to that extent. In 1958 the living space concept was suddenly, without public notice, abandoned for the concept "general living space" in order to make housing appear larger than it really was, perhaps because it might have been embarrassing to continue to do so. Dwelling space proper was therefore in 1955 at best 4½ square meters. This is even below the individual cell space allotted to the inmates of Federal prisons in the United States, namely, 60 square feet or 5.6 meters.

More recent preliminary figures, from the new Soviet census for 1959, indicate an even higher urban population than that quoted above. Thus the urban housing situation may be even worse than outlined here, but we must wait for more detailed figures before arriving at a final judgment.

To briefly sum up my impressions of United States-Soviet economic comparisons, our growth rate, which has been substantially greater than Russia's over the long run, has reflected a healthy balance among the various components of gross national product, including regard for the important "king" of our society—the consumer. Ours has not been a forced growth. It has been soundly based on increases in the labor force and a sustainable increase in productivity, and has achieved these increases despite reductions in the hours which our people work.

Moreover, there is room for shifts in our expenditure patterns for an all-out defense effort if necessary. On the other hand, in light of recent forced growth rates, it is doubtful that the Soviet Union has many gears left to use, particularly if she insists on clinging to her recent gains at the expense of consumer welfare; and if Soviet consumers are moved by the same basic economic desires that motivate our citizens, as I think they are.

By cutting the Soviet economic threat down to size, I am not closing my eyes to the political effects of even modest

Soviet gains. Present indications are that the U.S.S.R. growth rate will exceed ours over the next decade. This means that the world at large will have at least an image of Soviet vitality and efficiency. Even if Soviet output is only half of ours by 1970, this ratio, coupled with the usual "expansion effects" of Soviet propaganda, will put the Soviet Union "in the same league" with the United States in their eyes. If our information services are not on their toes, this could have serious effects on the attitudes of the nations of the free world, particularly those which are trying to follow a policy of neutralism. Thus, I am not lightly or casually dismissing Soviet economic statistics. Though we stay ahead of the Soviet Union in absolute terms for decades, or centuries, or even forever, as I sincerely believe we will, still we must not be lulled into a false sense of security founded on our present wealth and economic advantage. We must be vigilant in our efforts to sustain and increase economic growth. But as I have indicated earlier, this does not mean pushing the panic button of socialism and central planning. On the contrary, it means re-informing ourselves regarding the economic and political foundations which have brought us to our commanding position in the world today. And it means reinforcing the use of these time-tested principles.

WHAT PRODUCES ECONOMIC GROWTH?

Let us now turn to the question of what produces economic growth.

In his speech yesterday, the Senator from Minnesota noted that the Soviet economy is an administered economy, a forced-draft economy, and he seemed to imply that because of this fact, growth is stimulated. He said:

The leaders in the Kremlin have the power to slice the national income pie any way they wish, within the limits set by hard economic facts and the patience of the long-suffering Soviet people. They determine how much the population will be permitted to consume. Then they plow back into the economy the unconsumed resources in the form of capital necessary to guarantee the maximum economic development consistent with their ambitious national objectives.

But growth is not quite so simple. Fundamentally, growth of gross national product may be said to depend on four factors, which in turn involve a number of other factors. Thus, we may say that the rate of output depends on, first, size of the labor force; second, the percent of the labor force employed; third, annual hours of work per employee; and fourth, man-hour productivity—output per employee-hour. Growth will be achieved if any one of these factors increases, all others remaining fixed or also increasing.

Traditionally, we have experienced significant gains in labor force and productivity; and hours of work have tended to decline as I said earlier, but without offsetting the increases in labor force and productivity. I ask unanimous consent to have printed in the RECORD a table which summarizes these elements of our growth over the past 50 years.

¹ This material is based on the following sources:

(a) Central Statistical Administration, "The National Economy of the U.S.S.R., Moscow, 1956."

(b) "The Soviet 1956 Statistical Handbook: A Commentary, 1957."

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

TABLE VII.—Elements of economic growth

	Em- ployed labor force (mil- lions)	Average work- week (manu- facturing indus- tries) (hours)	Index of output per man- hour (1947-49= 100)
1909.....	36.7	56.8	47.7
1919.....	42.0	52.3	53.8
1929.....	47.6	44.2	66.9
1939.....	45.8	37.7	81.9
1949.....	58.7	39.2	103.1
1950.....	60.0	40.5	110.4
1951.....	61.0	40.7	113.2
1952.....	61.3	40.7	115.7
1953.....	62.2	40.5	120.4
1954.....	61.2	39.4	122.6
1955.....	63.2	40.7	128.0
1956.....	65.0	40.4	128.8
1957.....	65.0	39.8	132.3
1958.....	64.0	39.2	133.4
1959 (estimated).....	65.0	40.0	-----

PERCENTAGE CHANGES

Total change 1909-59.....	+77.0	-30.0	+180.0
Average annual change.....	$\frac{1.2}{(1.5)}$	- .7	3.2

¹ April 1959.

² Average over 1st quarter 1959.

³ Through 1958.

⁴ Calculated from values in 1st and last year of period.

⁵ The 1.2 percent increase is based on calculations from the terminal years in the table. Another estimate by the Department of Labor puts the figure at 1.5 percent per year.

Sources: (1) U.S. Department of Labor, Bureau of Labor Statistics. (2) Legislative Reference Library of Congress. (3) "Productivity, Prices, and Incomes," Joint Economic Committee print, p. 89; 1949-58 data on productivity from prepared testimony of Ewan Clague before the Joint Economic Committee, Jan. 29, 1959.

Mr. BENNETT. Mr. President, looking specifically at each of the factors, we find much to encourage us.

Growth of the labor force depends on population growth, and ours is increasing steadily and is expected to continue to do so. However, growth of the labor force is not an automatic source of output unless that labor force is employed. During the past 12 postwar years, which include three recessions, our unemployment has averaged 4.46 percent of the labor force. This figure fits in with the 3 to 5 percent frictional unemployment range cited by most economists. Most forecasts of growth over the next decade assume an average unemployment rate of 3 to 4 percent.

The second factor in growth, the hourly workweek, has been the only declining element in our growth statistics over the years. By choice, we have consistently reduced the number of hours worked per week. Our citizens have chosen to take some of the improvement in living standards in the form of shorter working hours for more leisure and personal development. Our hourly workweek in manufacturing has decreased 30 percent over the past 50 years from 56.8 hours in 1909 to 40 hours in 1959. Over the past century the workweek has dropped 43 percent from the 70-hour week of the 1850's.

PRODUCTIVITY IS KEY TO GROWTH

The final element of growth, man-hour productivity, is the real key to our growth, past and future. This has risen

at a rate of 2 percent per year over the past 50 years. From even a cursory review of American economic history, it is obvious that a substantial rise in output per man-hour has been the basis for the remarkable growth of output per capita that makes the American standard of living so unique.

In the eight decades since the 1870's, national product—in constant prices—has increased approximately twelvefold, while the population has tripled in size, so that product per capita quadrupled. Average hours per worker have been reduced, and the ratio of the labor force to the total population has varied only slightly over these 80 years. Clearly, the fourfold increase in output per man-hour has been the source of the great increase in America's per capita output.⁹

FACTORS INCREASING PRODUCTIVITY

Because of the importance of this final growth factor, I will devote some detail to it.

SKILL AND ATTITUDE OF WORKERS

The skill and education of our workers must constantly improve as our productive facilities become more complex. This is reflected both in individual improvement and in redistributions of the labor force. While unskilled and service occupations will decline relatively, skilled and professional occupations will increase. The trend toward automation will substitute scientists, engineers, computer programmers, administrators, and typists, and so forth, for men on the production line, clerical workers, and common laborers. Each new crop of workers must be more advanced in skills than the last.

From the standpoint of the individual, sustainable, high rates of productivity can only thrive in an atmosphere of freedom that permits attainment of desirable personal satisfactions as well as economic rewards.

MOBILITY AND FLEXIBILITY OF LABOR AND OTHER RESOURCES

Another source of increasing productivity, only truly effective in a free economy such as ours, is the mobility and flexibility with which individuals can operate as workers, managers, and suppliers of capital.

Productivity may be increased by external shifts of labor and other resources from companies and industries with low output per man-hour to companies and industries with high output per man-hour. This in itself will bring no improvement in productivity within companies and industries, but it will raise national productivity. Or, as in the approach in most of our discussion, productivity may rise because of real increases in output per man-hour within companies and industries.

Economic growth, like plant growth, is subject to variations in climate and environment. The economic climate varies from time to time and from one

segment of the economy to another. It is thus inevitable that we should find first one segment and then another forging ahead under favorable stimuli, only to run into periods of diminished growth at other times. Slack periods in particular industries may signal the need and provide the opportunity to shift resources to other occupations. From time to time there is a general slackening of demand. While we all want to keep those slack periods to a minimum, we must recognize that some are the inevitable concomitant of growth and change and that they provide opportunities and incentives to overhaul the economic machine and improve its efficiency.

If growth requires change, it also facilitates change. It stimulates the search for new and better ways of doing things and makes it easier for labor and capital to shift from one product or occupation to another by creating new employment and investment opportunities. Often desirable adjustments can take place in a growing economy simply through more rapid growth in one industry than another. Thus, growth and change interact on each other.

Attempts to withstand the inexorable pressures of progress rarely prevent the gradual decline of those segments which fail to adapt to the tide of change. Workers and businessmen in a particular industry frequently seem to think that the erection of barriers to change will improve or at least protect their relative position. This may be true for the moment. They will usually fare better in the long run by directing their efforts toward strengthening their competitive position or, failing this, by moving into another field. Otherwise, they may, for a time, deprive the community of the full fruits of increased productivity of which it is capable. But, ultimately, they drive the consumer of their goods or services into the arms of their more efficient competitor or even into the use of an alternative product or service.

A BALANCE BETWEEN FREEDOM AND SECURITY

To preserve this mobility requires the existence of an atmosphere of confidence which is a dynamic blending of freedom and security. While these two concepts may seem to be mutually antagonistic, neither can be effective in our practical everyday lives without the presence of the other. Freedom is the more vital of the two, because without it, all the great wealth of human spiritual resources is vitiated and men become mere economic cogs. And yet there must be a balancing security in our system which can provide the assurance that the risks of change will not be unbearable. The American business and industrial communities of capital, management, and labor are fast developing this balance, and must be constantly alert to redress it when necessary.

IMPROVED MANAGEMENT METHODS

Management can increase productivity by the development of more productive patterns in time and motion and in the rate and direction of the flow of process.

⁹ Leon Greenberg, Chief, Bureau of Labor Statistics, Division of Productivity and Technological Development, in a speech before the third conference on manufacturing automation, Purdue University, Mar. 29, 1959.

Businessmen are constantly learning and relearning that speed alone is not enough. This can be wasteful and destructive. Coordinated relationships of time and place can be much more effective. All this is the responsibility of modern, effective management.

RESEARCH AND DEVELOPMENT

In a free world, growth is never uniform in rate or in pattern. This is partly true because one vital element of growth can never be applied steadily or uniformly. This is the element of new ideas that come from inspiration and experience as well as from orderly programs of research and development. This, too, is a great force that reaches its greatest power in an atmosphere of freedom.

When we look for examples of growth, built on new ideas, we are inclined to look for huge, dramatic innovations. Important and striking examples can be cited in our development to date. But probably more important is a continuous flow of inventions, even though they be minor in scope. As our economy grows, each new invention is relatively less important in the total picture anyway, but the flow must be sustained.

Of course, there have been great single new developments which have brought great changes in their turn—among these, in the past 100 years, were the railroads, the electrical industry, and the automotive industry. George Terborgh, research director of the Machinery and Allied Products Institute, in his excellent book, "The Bogey of Economic Maturity," discusses the impact of these three industries on capital formation. But he puts them in perspective by emphasizing the need for the continuous flow of technological development as opposed to concentrated innovation. He then points up the need for high levels of research. I quote from Mr. Terborgh:

There is thus no evidence that investment in major innovations as a class, including the young and old ones alike, has had any higher growth rate than investment in minor innovations as a class. There is no evidence that one great new industry is any more dynamic in its impact on capital formation than 10 small new industries.

The important thing is the total flow of technological development, not its degree of concentration. Given an abundance of rising industries like aviation, mechanical refrigeration, air conditioning, radio, television, rayon, plastics, quick freezing, prefabricated housing, light metals, powdered metals, high octane gasoline, gas turbines, jet propulsion, spun glass, cotton pickers, combined harvesters, electronics—to name only a few at random—the total volume of direct and induced investment can be tremendous.¹⁰

In our judgment it is possible today to obtain a flow of innovation so vigorous and so diffused as to exceed, in its stimulus to capital formation, the best achievements of the past, regardless of the appearance of some great new industry comparable to those so nostalgically regarded by the stagnationists. When we recall the expenditures for industrial research had reached a level before the war 3 times 1929 and 12 times 1920, we must acknowledge that we have a new and potent engine for creating invest-

ment opportunity on a wholesale basis, the possibilities of which we have just begun to tap. No reason appears why the rate of technological advance should not continue to accelerate.¹¹

In fact, this is just what has been happening. A look at the rate of expenditures for research and development in the United States shows this dramatically.

Mr. President, I ask unanimous consent to have table VIII printed at this point in the RECORD.

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

TABLE VIII.—Research and development expenditures (industry, Government, university totals)

Year:	Billions (current dollars)
Prewar, well below.....	1.0
1945.....	1.5
1950.....	2.9
1951.....	3.4
1952.....	3.8
1953.....	4.0
1954.....	4.1
1955.....	5.4
1956.....	6.5
1957.....	8.2
1958.....	(²)

¹ The National Science Foundation estimates research for fiscal year 1953-54 at \$5.4 billion.

² The National Science Foundation estimates research for fiscal year 1957-58 at \$10 billion.

Source: "Statistical Abstract of the United States, 1958," table 626, p. 500.

Mr. BENNETT. Mr. President, the effect of this change is demonstrated by the next table, which lists 16 classifications of American industry and the percentage of their 1960 sales which will be represented by products that did not exist in their present form as recently as 1956.

Mr. President, I ask unanimous consent to have table IX printed at this point in the RECORD.

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

TABLE IX.—How much of 1960 sales will be in new products?—Base year 1956

	New products ¹ percent of sales
All manufacturing.....	10
Iron and steel.....	5
Nonferrous metals.....	5
Machinery.....	19
Electrical machinery.....	18
Autos, trucks, and parts.....	10
Transportation equipment (aircraft, ships, railroad equipment).....	37
Other metalworking.....	14
Chemicals.....	16
Paper and pulp.....	9
Rubber.....	5
Stone, clay, and glass.....	8
Petroleum refining.....	2
Food and beverages.....	7
Textiles.....	12
Miscellaneous manufacturing.....	6

¹ New products are defined as products "not produced in 1956 or products sufficiently changed to be reasonably considered as new products."

Source: The American Economy, Prospects for Growth to 1965 and 1975, McGraw-Hill, Department of Economics.

¹¹ Ibid., p. 90.

Mr. BENNETT. Mr. President, to sum up this statement of the value of research and development in insuring constantly increasing rates of productivity, let me quote from the testimony of Dr. Alan T. Waterman, Director of the National Science Foundation, given on February 2, 1959, to the Joint Economic Committee:

It is recognized that research and development creates new products, and in turn new demands and new capital expenditures. Increased productivity is brought about by improved processes, and this serves to enlarge per capita income and to counteract inflationary effects in the economy by bringing about a lower cost per unit of production.

Organized labor is actively, and quite properly, concerned lest automation and the growth of mechanized processes result in widespread unemployment. We cannot say that such fears are groundless, but the overwhelming evidence of history is that new labor-saving devices ultimately create new industries, new investment opportunities, and new employment. Organized labor realizes that the industry of discovery leads to new products, and will, in many cases, open up new employment opportunities. If the period of transition to these new jobs is managed wisely, there is little reason to fear technological unemployment.

Research and development has the added virtue of producing a leavening effect. Thus, the results of research in one industry may help to increase production not only within its own ranks but in other industries as well. A good example of this is the electronic computer. Since World War II, its uses have grown and multiplied until now, in addition to its use as a research tool, it is also to be found in a wide variety of industrial and commercial uses.

It is significant that industries with a high growth factor are in most cases the highest in relation to the percentage of total expenditures devoted to research. Although it is obvious that research and development * * * bears a direct relationship to the growth of individual companies, explicit data to support this conclusion are lacking. The Foundation is, therefore, sponsoring a detailed study of this subject, being carried on by the Case Institute of Technology.

The beneficial effects of research and development upon the economy are such that even the millions of dollars expended annually on military research and development ultimately have an impact on the civilian economy. One may cite as the most obvious examples some of the fruits of World War II research, such as the immense electronics industry, the rapidly developing use of jet aircraft for civilian travel, and such important medical discoveries as penicillin and DDT.

In another part of his testimony, Dr. Waterman spoke of research competition between Nations. His words have so much meaning in the context of this present talk that I shall quote them:

What is true of research competition in business is also true of Nations. We have already had evidence, as well as flat statements of the fact that the Soviet Union considers itself in an all-out scientific and technological race with the United States. Premier Khrushchev's remarks at the opening of the Soviet Communist Party Congress last week, together with the proposed new 7-year plan and other public statements, suggest that the Russians consider themselves in an economic race as well. Actually, economic progress is too closely tied in with the research and development effort to be considered separately.

¹⁰ Terborgh, George, "The Bogey of Economic Maturity," Machinery & Allied Products Institute, p. 89.

What they appear to overlook is that we are starting from two entirely different bases. The Soviet Union is determinedly striving to achieve the standards of living which we in the United States have been enjoying for years. As the New York Times (January 29, 1959, page 26) commented editorially:

"The economic competition Premier Khrushchev speaks about so often is one we have always welcomed if what is meant is competition in giving people decent standards of living. On that basis it is simple truth to note that we still have a long lead. Even making the questionable assumption that Khrushchev's latest plans are all fulfilled on schedule, it will be a long time before the Soviet people are as well fed, well clothed, and as well housed as is the average American today."

The real point is that we are competing with the Soviet Union for the future. As I said in the beginning, the economic implications of research and development are of a long-range nature. What we do now in planning our research and development effort, in giving it adequate support, may determine not only our own future but the future of the world as well.

POWER AND MACHINES—KEY TO PRODUCTIVITY

We could bring many other examples of the impact research and development has upon productivity, but we must move on to the last element in my list, and in pure economic terms, the most significant. I refer to the constantly increasing role which power and machines play in increasing productivity. For years we in America accepted this as an axiomatic and desirable achievement. But today, when we describe it with the current term "automation," it suddenly becomes a potential evil.

Actually, an increasing and progressively more effective use of power and machines is an outgrowth of the same searching and adventurous spirit which vitalizes research and development.

The most energetic and skillful shoemaker working long hours under the ablest supervision, but with the hand tools of a century ago, could not remotely approach the productivity of today's semiskilled operator, working with the aid of modern power-driven machinery.

In 1850 approximately one-eighth of all our work was done by human beings and one-half by horses, mules, and oxen. Muscle power of animals and humans thus accounted for almost two-thirds of the work; and inanimate sources—steam, wind power, falling water, and the like—for a little more than a third. By 1900 the work-animal share had dropped to 22 percent of the total and that of human workers to 5 percent. Today nearly 99 percent of the total useful work-energy of the country comes from machines.¹²

Table X illustrates the percentage share of animate and inanimate sources of energy in total work output during the past hundred years, and emphasizes the importance of machines in our productivity advances.

Mr. President, I ask unanimous consent to have table X printed at this point in the RECORD.

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

TABLE X.—Changes in percentage share of work energy, 1850–1950

	1850	1900	1950
Human.....	13.0	5.3	0.9
Animal.....	52.4	21.5	.6
Inanimate.....	34.6	73.2	98.5

Source: The 20th Century Fund, "America's Needs and Resources: A New Survey," Frederic Dewhurst & Associates, New York, 1955, p. 908.

Mr. BENNETT. Mr. President, a dynamic technology which improves productivity through better materials, better methods, and the increased use of mechanical power in place of human labor requires imaginative leadership and a willingness to experiment. Large expenditures for new plant and equipment, automation, rising outlays for research, the steady flow of new products and processes, and the widespread use of the suggestion box in our factories and offices all attest to the presence of these valuable qualities in our country.

There are, however, particular industries in which technological change has sometimes been resisted. For example, our railroads, fighting a competitive battle for their existence, complain that they are constantly handicapped by the feather-bedding rules demanded by labor in an effort to perpetuate jobs for which there is no longer any economic justification. We find another illustration in restrictive building regulations which prevent that industry from availing itself of many cost-reducing methods and materials that have been developed. Such resistance to technological advance within particular industries can have a significant bearing on our growth rates of the future.

Finally, I remind Senators that while machines have taken over 99 percent of our workload compared to 35 percent a century ago, our employed civilian labor force has increased from 8 million to 65 million. This should set at rest the idea that automation, as such, destroys jobs.

Before we move on to discuss what growth we can hope for in the next decade, let us stop to summarize the keys of growth we have been discussing. They are:

A. A growing population, with a growing labor force, effectively and substantially employed. Perhaps we should say "fully employed," if we accept the idea that from 3 percent to 5 percent unemployment is factual, and should be expected.

B. A constantly increasing rate of productivity per man-hour worked. This hope for increasing productivity in turn rests, like Rome, on seven hills—seven indispensable ingredients: First increased skill of workers; second, effective worker attitudes based on freedom; third, mobility and flexibility of labor and enterprise; fourth, a balance between freedom and security; fifth, effective management of time, space, and process flow; sixth, new ideas, based on research and development; and, seventh,

an ever-increasing availability of more productive power and machines.

This, then, is the framework of our development to date, and the basis for our future growth.

U.S. GROWTH PROSPECTS TO 1970

Having considered the basic elements of growth, I should like to turn briefly to a consideration of U.S. growth prospects over the next decade. Although projections of the future are hazardous today the majority opinion among economists is that the decade of the 1960's will see an increase in our growth rate, and that a 50 percent increase in national output is well within our grasp.

Although the actual future growth rate is a subject of discussion and disagreement among economists, I should like to present my own forecasts, which I think answer the fear that our economy is heading for economic stagnation. I think they are reasonable estimates.

Starting with the first basic element in our growth—the labor force—the Bureau of Labor Statistics of the U.S. Department of Labor has furnished figures which indicate that our work force will expand to 87.1 million by 1970. Deducting a cautious 4 percent for frictional unemployment over this period, the anticipated number of employed workers will be 83.6 million by 1970. I am assuming that the 4 percent unemployment rate will hold as an average over the decade. It is in keeping with the 4.46 percent average during the postwar period, 1947 to 1958, which included three recessions. I hope we have none of those in the 1960's. It is the same as the figure used in a low growth estimate by the National Planning Association, and is more conservative than the association's judgment model, which is based on a 3½ percent average unemployment.

The total employed labor force by 1970—83.6 million—represents an average annual increase of nearly 1.8 percent per year. It reflects the large number of "war babies" who will enter the labor force during the 1960's, and represents one of our key advantages over the Soviet Union during that decade. While our population stepped up during the war years, Russia's rate of increase slowed down. A tight labor force is one factor which will slow down the Soviet growth rates in the near future.

Looking at productivity, our long-term trend is at a rate of roughly 2 percent a year. It is reasonable to assume that this rate will be a minimum estimate for the next decade.

On the other hand, Fortune magazine, in its March 1959 issue, predicted that the productivity rate during the 1960's will probably equal the postwar average of 3 percent a year.

Putting these two productivity estimates together, and assuming that Americans are not likely to take more than an annual decrease of three-tenths percent in hours worked per week, which is the rate of decline in the work week over the previous decade—and the decline in the work week has slowed up in recent decades; so this is probably a maximum estimate—we can expect a

¹² 20th Century Fund Survey, "U.S.A. in New Dimensions, 1957," p. 5.

growth in the gross national product of between 3.5 and 4.5 percent a year. Picking an average of 4 percent would mean a gross national product of about \$755 billion in 1970, based on 1959 prices. This would average about \$3,500 per capita. If the lower rate of 3.5 percent prevails, our gross national product would total approximately \$710 billion, approximately \$3,300 per capita in 1959 prices.

The Russian Communist leaders habitually think in terms of economic goals and 5-year plans and 7-year plans. Confronted with their current high rate of growth, and assuming that they can sustain it indefinitely—which I do not believe—there are some economic theoreticians who think we should adopt a specific rate of at least 5 percent a year and make its maintenance an official goal of national policy. This new expression of the planned economy school of liberals ignores the realities of life and human nature, and also sound economics. We have had short periods when our rate of national growth exceeded 10 percent a year. A recent example is the period 1933 to 1937, when we were recovering from a recession. And based on current trends, our 1959 gross national product will be 10 percent higher than our 1958 gross national product.

During the decade 1878 to 1887, our index of industrial and commercial production doubled.¹³ In the eighties, steel production was increasing by 15 percent a year, and by 1900 it was still increasing at the very high rate of 10 percent a year. By 1910, it was growing at a 7 percent clip.¹⁴

Some industries have had periods when output more than doubled in just a year or two. But these were temporary spurts within the long-term national pattern—sprints in a "marathon" race, which it would be unrealistic to accept as an expected norm; and if we use the same figure of speech, I think we shall find that in that marathon race the Russian runners will continue to slow down to their long-term average.

A CONFLICT OF PHILOSOPHIES

We must make sure that we have an adequate rate of long-term growth, because in this race our stake in victory is very high. The United States-Soviet competition in rate of growth is only one facet of the more fundamental contest between these two essentially opposite economic and political philosophies. All of the newly created nations and many of the older ones are watching to see which is the stronger and the more productive—our system of free enterprise, based on private capital; or the Russian particular brand of State socialism. Indeed, the current success of the Russians raises this basic question, even in our own country: Would greater Govern-

ment intervention tend to increase or retard our growth rate?

Let us look at this from a specific point of view.

How much long-term capital shall we need between now and 1970, and can Government intervention make it easier to raise it? Of course, it is difficult to forecast the amounts of new invested capital that will be needed by 1970—probably as difficult as to predict the curve of the rate of growth. But we know approximately how much capital per worker is now invested in American industry, and that this amount per job has been rising slowly as we have increased the power and complexity of our machines. Therefore, we can make some projections. One estimate of future capital needs comes from the National Planning Association. It begins with the base year 1955, and forecasts to 1970.

According to this estimate, our total stock of plant and equipment in 1955 was about \$590 billion. By 1970, it will have to total \$935 billion—an increase of \$345 billion in 1955 prices—in order to take care of our increased labor force, plus an annual increment of 1½ percent per year in capital stock per worker. This estimate excludes the additional amount of capital facilities required for Government functions, since it is based only on the private labor force.

Translating these figures into 1959 costs, as based on the commercial and factory building index of E. H. Beck & Associates, the additional capital requirements total nearly \$400 billion over the 15-year period. In terms of 1959 costs, the plant and equipment per private worker totaled \$11,100 in 1955, and will rise to \$14,100 in 1970, not allowing for price increases over the next decade. The private labor force, again excluding Government workers, was 60 million in 1955. It is expected to rise to 76 million by 1970.

Making the assumption that we have by this year met one-fourth of the total 15-year—1955-70—requirements, we shall need \$300 billion in new capital over the next 11 years, in order to employ our anticipated new labor force and to sustain a healthy growth. This is a conservative portion of the total, since 1957 and 1958 capital expansion was at a slow pace, and the requirements step up as we approach 1970.

If our traditional economic system is to continue, this capital must come from private savings accumulated under the twin incentives of the ownership of property and the reaping of profits from that ownership.

Can the Government provide capital without weakening the ability of its own citizens to do so? The answer of the record is clearly in the negative. Whenever Government intervenes in the economic process, it destroys the vigor of free market decisions, introduces rigidities and distortions into the market, and inhibits growth. Government funds cannot be invested in equities without destroying private management of the resources developed with those equities. Government can be a lender, on a short-

term to a private borrower, but as such it is an undesirable creditor because its terms are rigidly fixed by law.

Government is in fact a borrower, competing for private savings. When it intervenes to set interest rates, it tends to set them as low as possible to reduce its own cost, and thus weakens the private incentive to save and invest. When Government taxes business for social reasons, it tends to penalize capital accumulation. And when it sets up artificial price and wage controls, it destroys profits and worker incentives. All these activities tend to weaken both ownership and incentive and diminish rather than increase the flow of needed capital into the stream of growth.

But there is one factor in our own growth that is more important than all the others and more difficult to measure. This is the human factor. This is the richest resource of all, the very heart of our capacity for growth. It flowers best in an economic climate in which personal liberty and security are in an optimum balance, with liberty at its greatest practical maximum and security at its lowest safe level. In such a climate the individual and the Government can be effective partners for growth.

To this partnership the individual can bring his capacity for imagination and creative effort, his ingenuity and resourcefulness, and his spiritual powers for severe sacrifice and faith. From these he develops his sense of economic values, and, in freedom, expresses them in an infinite variety of products and services. In the process he gets the satisfactions that come from risks taken, consequences faced, and rewards earned, including the very tangible rewards of private ownership, profit, and progress.

GOVERNMENT'S ROLE IN GROWTH

Of course, these desirable functions of private decision cannot take place in a lawless vacuum. Most economic decisions are composite and complex, and reflect both private and public policy. In such a partnership only the Government can contribute the essential security of peace, possession, equality before the law, and freedom from want and disaster.

In a more direct and personal partnership it can help provide education to sharpen our mental and spiritual resources. It is the most efficient institution for supplying roads and postal service and other national needs. Through tax-provided capital, it can develop and maintain national natural resources. It can keep open free channels of communication and travel.

Government can play a great and indispensable role in research—both in terms of basic scientific research, of which industry at its own expense can make practical applications to fit its particular needs, and in terms of basic economic and social statistics. The work of the Department of Commerce and the Bureau of Labor Statistics in the Department of Labor is invaluable, and should be adequately supported and constantly improved. There are many

¹³ Frickey, Edwin, "Production in the United States, 1860-1914," Harvard University Press, 1947, p. 127.

¹⁴ Snyder, Carl, "Business Cycles and Business Measurements," the Macmillan Co., 1927, p. 37.

other accepted services it can supply, including a sound and stable currency by which we transact our business and measure our growth.

But when the balance shifts and the power of the Government rises at the expense of the freedom of the individual, private growth, healthy growth, is retarded. When Government tries to impose an official standard of values and substitute planned programs for free markets, this tends to produce dull mediocrity, and tends to perpetuate under- and over-production of certain goods and services, and rigid resistance to change. And growth depends on change.

The Senator from Minnesota noted yesterday that the Russians have adopted more and more of the production techniques of capitalism. They have paid us the very sincere compliment of imitation, and have soaked up like a sponge the tangible helps to growth which we have given them, sold to them, or which they have stolen from us. And now if there is any shift in their social balance, it will have to be toward more individual economic freedom, thus giving them an additional vital aid to growth. It would be tragic if we shifted the other way in order to try to outdo them.

Can we set a course for our needed goals of growth and hope to reach them? Can we keep our standard of living rising steadily so that generations of Americans will be better off than we are? At the same time, can we grow fast enough to overmatch the threat of Communist economic competition? All the figures and their applications testify that we can, if we will continue to develop with wisdom the great human spiritual resources which the Communists deny themselves—the inherent instincts and capacities of free men to grow through self-development. This is a seed of growth for whose product Government can supply a healthful atmosphere, but for which Government has no substitute.

If we realize this truth, and apply it, we cannot fail.

Mr. President, I yield the floor.

ORDER FOR CALL OF THE CALENDAR TOMORROW

During the delivery of Mr. BENNETT's remarks,

Mr. JOHNSON of Texas. Mr. President, will my delightful friend from Utah yield to me so that I may make a unanimous-consent request?

Mr. BENNETT. I am happy to yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that tomorrow, at the conclusion of routine morning business, there be a call of the measures on the calendar to which there is no objection, beginning with Calendar No. 265.

I have asked the attachés of the legislative review committee on this side of the aisle to notify their counterparts on the minority side, and if they are all agreeable to this, and are ready, I should

like to have the calendar called immediately after routine morning business. I think it should not take more than 15 or 20 minutes. I would like to have all Senators who have measures on the calendar to be informed.

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

Mr. JOHNSON of Texas. I thank my friend.

Mr. BENNETT. I am very happy to accommodate the majority leader.

UTILIZATION OF SURPLUS FOOD

Mr. HART. Mr. President, one of the anomalies that disturbs all of us, I am sure, is the existence in this country of hungry people and the presence of bursting granaries with surplus food.

In recent weeks a subcommittee of the Committee on Agriculture and Forestry has been considering a number of bills which would in some cases supplement distribution of surplus food, and in other cases, in addition, establish a food stamp program.

I ask unanimous consent that the Record reflect a resolution adopted by the common council of the city of Detroit urging the adoption—which of course, would require favorable action by the Committee on Agriculture and Forestry—of a program which would be broad in scope.

I also ask unanimous consent to have printed in the Record an article by James M. Haswell, Washington correspondent of the Detroit Free Press, which appeared in that newspaper on the 9th day of this month.

I also ask unanimous consent to have printed in the Record a statement by Daniel J. Ryan, general superintendent of the Department of Public Welfare, before the Subcommittee on Production, Marketing, and Stabilization of the Committee on Agriculture and Forestry.

Mr. President, I am hopeful that favorable action by the committee will occur, and that the majority of Members of this body will recognize that until we have a basic solution of the pressing problem of food surpluses, the best place for much of that food is in the stomachs of hungry Americans.

There being no objection, the resolution, article, and statement were ordered to be printed in the Record, as follows:

Whereas the city of Detroit, since January 1955, has been engaged in distributing surplus food commodities to needy citizens, including not only families receiving public assistance but other needy individuals; and

Whereas in the month of April 1959 the city distributed 490 tons of surplus foods to 46,530 families, representing 164,419 persons; and

Whereas it is reported that approximately 12½ percent of the labor force of the Detroit area is still unemployed, evidencing the continuing acute need among our citizens; and

Whereas this common council has adopted resolutions urging the expansion of the distribution of foods to needy persons and urging the reactivation of the so-called food

stamp plan, similar to the plan in effect in the years 1939-43, which would eliminate the present complicated, cumbersome, and costly plan of distribution: Therefore be it

Resolved, That this common council urges the adoption of a program which would provide for (1) the transfer of this activity from the Department of Agriculture to the Department of Health, Education, and Welfare; (2) the expansion of food distribution to the needy; and (3) the distribution of surplus food commodities through the normal channels of business through the medium of a food stamp or coupon plan; and further

Resolved, That copies of this resolution be sent to members of the Agricultural Committees of the U.S. Senate and the House of Representatives, and the members of the Michigan delegation to Congress.

Adopted as follows:

Yeas: Councilmen Carey, Connor, Lincoln, Patrick, Rogell, Smith, VanAntwerp, Wise, and President Beck—nine.

Nays: None.

Adopted June 2, 1959.

[From the Detroit Free Press, June 9, 1959]
DETROIT OFFERS TO TEST SURPLUS FOOD STAMPS—GROCERS HERE BACK PROPOSAL—SAY IT WILL WORK BETTER THAN DEPOTS
(By James M. Haswell)

WASHINGTON.—The grocers of Detroit will be glad to act as guinea pigs if Congress wants to try out a plan for distributing surplus food to needy persons by issuing stamps or coupons. Grocers would exchange the stamps for surplus commodities.

W. E. Fitzgerald, executive secretary of the Food Industry Committee of Detroit, told a Senate subcommittee that Detroit's 3,000 grocers will demonstrate that a stamp plan will work better than the welfare department's present food depot program.

Detroit welfare superintendent, Daniel J. Ryan, agreed with Fitzgerald.

They told Chairman HUBERT HUMPHREY, Democrat, of Minnesota, that the Agriculture Department's present rules force them to use a clumsy and expensive system, and deprive at least 22,000 Detroiters of food which city and State welfare authorities would like to see them receive.

In April 164,000 Detroiters received surplus food, Ryan said.

Ryan and Fitzgerald made their sixth appearance since 1955 before a congressional committee in support of a food stamp plan. Last year at the urging of Representative MARTHA W. GRIFFITHS, Democrat, of Michigan, and others, the House passed such a bill.

Senator HUMPHREY heads a subcommittee which is considering an array of bills proposing greater distribution of surplus foods to hungry and malnourished Americans. Among the 30-odd sponsors of the bills are three Democratic presidential hopefuls—Senators KENNEDY, SYMINGTON, and HUMPHREY—and GOP liberals.

Not all the bills would use food stamps. Several propose to buy supplemental foods such as milk, shortening, and poultry, to improve the diet of persons forced to live largely on surplus foods.

Many of the bills would transfer the food distribution job from the Agriculture to the Welfare Department. Most of them would write Federal eligibility standards.

Detroit pioneered large scale distribution of surplus foods in 1955 and today 44 States and 4 Territories distribute them to 5.3 million persons. Estimates are 17 million Americans need more food than they are getting.

Senator HUMPHREY threatened Monday to offer a food stamp bill as an amendment to the foreign aid bill when it reaches the Senate floor. "We'll call it the domestic aid bill," he said.

He would prefer, however, to have the agriculture committee approve and report out the bill his subcommittee will draft.

Emil Mazey, UAW secretary-treasurer, drew some sharp contrasts Monday.

"Can there be a greater disaster than Americans going hungry in the midst of plenty?" he asked. "Can America be the moral leader of free men and refuse to help those who suffer from not having enough to eat?"

When blizzards isolate large sections of the Nation, the Government comes to the aid of stranded cattle by parachuting food to the animals. Can we do less for fellow human beings stranded by unemployment, age, or physical disability, and who are thus prevented from sharing in the abundance which is ours?"

Congress, he said, has a duty to banish hunger from the Nation. Other AFL-CIO supporters include Joseph A. Bierne, chairman of the community services committee, and Albert Whitehouse, director of the industrial union department.

Spokesmen for the Agriculture Department and the Health, Education, and Welfare Department oppose all the food bills. Assistant Agriculture Secretary Clarence L. Miller said surplus foods should be sold and not given away and that placing a floor under family food consumption levels is not a proper function for the Federal Government. Social Security Commissioner W. L. Mitchell said money, and not food, is the proper thing to give needy persons.

STATEMENT OF DANIEL J. RYAN, GENERAL SUPERINTENDENT, DEPARTMENT OF PUBLIC WELFARE, BEFORE THE SUBCOMMITTEE ON PRODUCTION, MARKETING, AND STABILIZATION OF THE SENATE AGRICULTURAL COMMITTEE

Mr. Chairman and members of the committee, I appreciate the opportunity to testify before your committee and to speak in behalf of several bills now pending in the Senate of the United States. I refer to bills which would provide adequate food and diet to those in need.

While the primary purpose of such proposed legislation is designed to help the needy and undernourished, it would appear that there are several other purposes, among which are the following: (1) To reduce the large inventory of food commodities in the farm price support program; (2) to benefit farmers by disposing of these surpluses and by increasing farm income; (3) to increase rural purchasing power; (4) to save taxpayers millions of dollars now being spent for the storage and handling of surplus foods. All of these purposes have our complete support.

During the years 1939-43, and more recently since January of 1955, the city of Detroit, through its department of public welfare, has been engaged in the distribution of surplus food commodities to its needy citizens. These needy include not only those receiving general relief, for whom the welfare department is responsible, but likewise persons eligible for and receiving old-age assistance, aid to dependent children, aid to the blind, and aid to the disabled, whose needs are administered by a State agency, the Wayne County Bureau of Social Aid. In addition, other needy eligible persons who are not receiving public assistance are certified by us and include those receiving unemployment compensation benefits, other forms of social security and retirement benefits, the temporarily unemployed, part-time employed, and low-income families.

Since January 1955, we have distributed 28,548,900 pounds, or 14,275 tons of food valued at \$10,042,639.07. Details supporting these figures are contained in schedule No. 1 attached.

During the calendar year 1958, we distributed 12,005,812 pounds, or 6,003 tons of food valued at \$3,361,094.07, detailed as follows:

Commodity	Pounds	USDA market value
Butter.....	1,667,425	\$1,033,803.50
Cheese.....	2,858,432½	1,257,710.30
Dry milk.....	2,281,120½	638,715.42
Rice.....	1,895,025	208,452.75
Beans.....	488	48.80
Corn meal.....	2,531,205	151,872.30
White flour.....	604,110	60,411.00
Whole wheat flour.....	168,000	10,080.00
Total.....	12,005,812	3,361,094.07

1 6,003 tons.

In the month of April 1959 surplus foods were distributed to 46,530 families, representing 164,419 persons.

A summary statement of our cost for distribution of surplus food commodities during the calendar year 1958 is as follows:

Annual summary of distribution costs—actual basis January 1958 through December 1958

Direct labor.....	\$79,886.76
Supplies, rental, and other expenses.....	27,797.80
Printing.....	2,617.56
Distributors' fees ¹	219,060.11
Retail outlet fees ²	63,085.78
Total.....	392,448.01

¹ Rates paid: January-September: Flat rate of \$2.25 per hundred pounds handled. October-December 1958: Flat rate of \$1.90 per hundred pounds handled of all commodities except flour and cornmeal at \$1 per hundred pounds.

² Rates paid: January-March 1958: \$0.10 per case serviced per month. April-December 1958: \$0.15 per case serviced per month.

When we undertook the distribution of surplus foods in 1955, we were not at all satisfied with the program available to us. After 4 years' experience with the present plan, we are even less enthusiastic. The city of Detroit entered into the program because of a desire to make surplus foods available to those in need and in the honest belief that one of the several so-called stamp plans then under the consideration of Congress would be adopted.

The Common Council of the City of Detroit, the legislative body of the city, has adopted a resolution urging the Congress of the United States to adopt legislation to provide for (1) the transfer of the administration of the surplus food commodity program from the Department of Agriculture to the Department of Health, Education and Welfare; (2) the expansion of food distribution to the needy; and (3) the distribution of surplus food commodities through the normal channels of business through the medium of a food-stamp or coupon plan. Copy of this resolution is attached.

The present distribution system available to us is a most complicated and cumbersome one. It is inefficient, ineffective, and unnecessarily costly. The plan puts the Department of Public Welfare in the food business and removes the activity from the normal channels of business. This is the direct opposite of what we think the case should be.

At present the Department of Agriculture delivers commodities, free of cost, in carload lots to our distribution warehouse center. We determine eligibility of recipients for these foods and take full responsibility for all distribution. Our responsibility includes the provision of storage space, re-

frigeration, repackaging, establishment of retail outlets, and delivery of commodities to the same. The clerical duties involved are complex and totally unwarranted. In order to handle the number of persons involved, we have, through the splendid cooperation of the food industry of Detroit, utilized as many as 155 grocery stores located throughout the city. In addition, the Department of Public Welfare operates a large food distribution depot. Each individual participating in the plan must be identified specifically with one of these stores at which point the commodities are picked up on one or two days each month. The depot, however, operates each working day. This procedure, it will be noted, directs persons away from their normal source of supply and to one of our choice. We are, for obvious reasons, opposed to a continuance of the present arrangement. Our position in this matter has the strong support of the Food Industry Committee of Detroit. This will be attested to before your committee by Mr. W. E. Fitzgerald, the executive secretary of the committee.

Several years ago, in the distribution of surplus food commodities, the Federal Government engaged in a program involving the use of a so-called food stamp plan. Under this plan relief agencies, such as ours, were permitted to distribute negotiable stamps to eligible individuals who, in turn, exchanged the stamps at any authorized retail outlet of their choice. Subsequently, the stamps were redeemed by the Federal Government. In this program the relief agency was relieved of the needless duplication of established food distribution systems and the unnecessary costly expense involved. When we last used this plan, practically every retail outlet in the community participated. Our experience with this plan was most satisfactory.

Some of the programs under consideration today by your committee provide all of the favorable elements embodied in the previous stamp plan, and provide for the warehousing and distribution of foods through the normal food-industry channels, where we believe this activity rightfully belongs.

A substantial number of cities are not today participating in the distribution of surplus foods because of the problems involved in the present distribution plan. We are convinced that if the food stamp plan is approved, practically every welfare agency in the Nation will take advantage of the additional food made available, thus eventually reducing to a very substantial degree the tremendous stocks of food in expensive storage.

It is our considered opinion that the most intelligent means of distributing surplus food commodities is for the Federal Government to reestablish a food stamp plan, and we urge your committee to give favorable consideration to such a program.

We are particularly impressed with the provisions of S. 1884 which provides for the transfer of surplus food commodity distribution to the needy from the Department of Agriculture to the Department of Health, Education, and Welfare. This provision is particularly significant to us inasmuch as the normal channels of communication presently exist between the Department of Health, Education, and Welfare and the various welfare organizations throughout the country, and we see in this proposal other definite advantages. We likewise are impressed that this particular measure proposes for the expansion of the distribution of food to needy persons. As a matter of fact, this proposed measure would have our complete approval if it were amended to provide for the distribution of surplus foods through a food stamp or coupon plan to which we have referred above.

SCHEDULE No. 1

CITY OF DETROIT, DEPARTMENT OF PUBLIC WELFARE

Summary of USDA surplus commodities distribution program

	1955	1956	1957	1958	January-April 1959
Number of retail outlets used.....	1,329	1,476	1,553	1,775	612
Number of cases certified.....	249,440	322,254	297,805	566,476	223,343
Number of cases participating:					
Unemployed, low income.....		15,823	22,471	110,931	43,899
Unemployment compensation.....	4,926	25,544	8,671	111,012	44,675
Social security and other retirement benefits.....	34,230	36,942	29,957	42,161	18,234
Workmen's compensation, accident and sick benefits.....	625	940	1,203	2,774	984
Servicemen's or veterans benefits.....	2,038	5,040	5,688	8,680	3,233
Old-age assistance.....	60,531	73,340	57,906	61,387	21,270
Aid to dependent children.....	68,516	84,170	72,866	88,322	33,653
Aid to blind.....	2,441	3,020	2,490	2,700	999
Aid to disabled.....	1,668	2,246	1,826	2,543	1,159
Welfare relief.....	31,012	38,675	37,652	76,652	34,287
General assistance, nonsettled.....	3,632	6,568	6,877	7,701	3,066
Total cases participating.....	209,619	292,308	247,607	514,863	205,462
Number of persons participating.....	533,891	870,466	795,776	1,895,074	740,853
Commodities disbursed, pounds:					
Butter (1-pound prints).....	775,341	1,128,631	109,432	1,667,425	740,848
Cheese (1½, 2½, and 5-pound loaves).....	588,504½	917,201½	886,459½	2,858,432½	82,270
Dry milk (4½-pound packages).....	678,910	1,066,221	949,617	2,281,126½	879,624
Dry beans (1, 2, and 5-pound bags).....	533,984	762,247	482,974	488	
Shortening (3-pound cans).....	457,554	468,438	84		
Rice (1, 2, and 5-pound bags).....	511,270	870,465	795,776	1,895,025	740,740
Pork luncheon meat issued only June 1956.....		170,232			
Flour (10-pound bags).....				772,110	782,280
Corn meal (5-pound bags).....				2,531,205	1,133,975
Total pounds disbursed.....	3,545,563½	5,413,435½	3,224,342½	12,005,812	4,359,747
Estimated value at retail.....	\$1,376,483	\$2,286,250	\$1,211,373	\$3,361,094	\$1,807,437
Gross cost of distribution:					
Direct labor.....	\$35,057.77	\$35,117.40	\$32,607.44	\$79,886.76	\$39,548.30
Supplies and expenses.....	5,025.37	4,734.45	3,364.14	30,415.36	10,267.12
Wholesale distributors fees.....	104,976.58	122,466.09	72,643.90	219,060.11	65,571.32
Retail outlet fees.....	27,340.35	43,846.20	37,133.55	63,085.78	22,982.82
Total cost of distribution.....	172,400.07	206,164.14	145,749.03	392,448.01	138,369.56

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

The Senate, in executive session, resumed the consideration of the nomination of Lewis L. Strauss to be Secretary of Commerce.

Mr. ANDERSON obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, we have been discussing the nomination of Mr. Strauss in the Senate, either in committee or on the floor, since March. Some Senators are inquiring of me about when I expect the Senate to vote on the nomination. That is a matter over which I do not have much control, because I do not expect to ask the Senate to vote until every Member of the Senate has had an adequate opportunity to express himself. However, I have conferred with the chairman of the committee and the Senator from New Mexico, as well as the ranking minority member of the committee, the Senator from Kansas [Mr. SCHOEPPEL], and the distinguished minority leader, and I am of the opinion that with the schedule of speeches to be made, it is reasonable to assume that there is no possibility of a vote being had on the nomination during this week. Does the Senator from Illinois agree?

Mr. DIRKSEN. I fully concur in that statement.

Mr. JOHNSON of Texas. I should like to attempt to work out some ar-

range, if possible, so that all Senators could prepare their speeches and make them, and enable the Senate to vote on this question at the earliest possible date. Therefore I should like to ask the Senator from New Mexico to give consideration to this thought; that perhaps on Monday we propose a unanimous-consent agreement, to be effective after the morning hour on Tuesday and that we allow a reasonable number of hours for debate to each side.

I should like to have the minority leader and the Senator from Kansas [Mr. SCHOEPPEL], and the chairman of the committee, the Senator from Washington [Mr. MAGNUSON] to consider that possibility. I shall counsel with them again on Monday when our colleagues are here, and we can then make some reasonable attempt to work out an agreement. I should like to have their judgment and the judgment of any other Senators and other members of the committee as to what the Senate could expect.

I would submit the request now, but I am informed that there are a number of Senators who desire to speak. The hour is late, and I am told that it would be impossible to obtain a unanimous-consent agreement tomorrow. I have no desire to infringe upon any Senator's right, but I do want all Senators to be on notice of the possibility of arriving at some definite time for a vote.

We will have several appropriation bills reported to the Senate next week. It will probably be necessary to adopt continuing resolutions, because we will

not be able to get all the appropriation bills out of conference—we never do—by June 30, or at least not all of them. Nevertheless, we are anxious to get as many passed and into conference as possible before June 30. We will not be able to do that unless we can conclude action on the nomination of Mr. Strauss; unless, of course, we set it aside temporarily to take up the appropriation bills, which we will do if it is a matter of urgency.

Will the Senator from New Mexico give some thought to the possibility of entering into a unanimous-consent agreement, either Monday or Tuesday, and setting aside a reasonable number of hours of debate on each side, and give me his judgment sometime over the weekend?

Mr. ANDERSON. Yes. I would say that I would be glad to do that. I may say, however, that at least two Senators are away from the city who have asked to be present when a unanimous-consent request is proposed. The Senator from Wyoming [Mr. MCGEE] has a speaking engagement in his State. He is one of the Senators. He is somewhat new to the ways of the Senate, and he asked me if it was possible for a unanimous-consent agreement to be proposed in his absence. I suggested that it was certain that the majority leader would not do that without ample notice.

The notice which the leader has now given is sufficient. I think there is a possibility of discussing this matter completely on Monday.

Since the distinguished minority leader is also present on the floor of the Senate with the majority leader, I should like to say that the authorization bill for the Atomic Energy Commission has been reported favorably to the Senate, and that the report was filed in the Senate today. The report was filed in the House yesterday. The House leadership, as I understand the situation, has given consent for a suspension of the rules on Monday to consider that proposed legislation. I hope the Senate may also consider the possibility of doing so, because the report is unanimous. It is not a technical matter this time. There is no controversy about the bill, so far as I know. I would hope that consideration of the bill might be completed in a very few minutes. If it were not possible to do so, I, of course, would consent to the leadership indicating that fact, and to have it go over until later. However, the able chairman of the Committee on Appropriations of the House, Mr. CANNON, is anxious to start hearings just as soon as the bill is passed, and I think he will start hearings as soon as it passes the House.

Mr. JOHNSON of Texas. Mr. President, does the Senator anticipate a ye-and-nay vote on that bill?

Mr. ANDERSON. I do not anticipate it.

Mr. JOHNSON of Texas. Would the Senator be willing to enter into a unanimous-consent agreement to take it up tomorrow, with the understanding that if a ye-and-nay vote is demanded, we will conclude discussion of the bill

tomorrow, but have the yea-and-nay vote go over until next week?

Mr. ANDERSON. I might say that if the Senator will consult the ranking minority member of the joint committee, the Senator from Iowa [Mr. HICKENLOOPER], I believe he will find that it will be agreeable to the Senator from Iowa. It is certainly agreeable to me. I say frankly to the majority leader that I would be very happy to have the bill out of the road.

Mr. JOHNSON of Texas. I will give my friend, the minority leader, an opportunity to consult his colleagues. So far as the Senator from Texas is concerned, I would be very happy to take the bill up tomorrow after the morning hour, if it will take only a brief time, and consider it and act on it tomorrow, provided we can act on it with a voice vote. If it is necessary to have a yea-and-nay vote, I would like to have it go over until Monday.

Mr. ANDERSON. Of course the majority leader understands that I do not know whether any Senator will object. I only say that, so far as I am concerned, and the Senator from Rhode Island [Mr. PASTORE], and the Senator from Tennessee [Mr. GORE], and the Senator from Washington [Mr. JACKSON], and the Senator from Georgia [Mr. RUSSELL], we at least are satisfied. I believe that the Senator from Iowa [Mr. HICKENLOOPER] and his associates on the other side would also agree that the bill might be brought up and disposed of.

Mr. JOHNSON of Texas. Was the bill reported unanimously?

Mr. ANDERSON. It was reported unanimously. It was completely unanimous, not only as to the Senate Members, but also as to the House Members.

Mr. JOHNSON of Texas. Is it recommended by the Atomic Energy Commission?

Mr. ANDERSON. The Senator puts me in a rather difficult position. There are items which are not recommended by the Bureau of the Budget. If the minority leader would consult the Chairman of the Atomic Energy Commission he would find that no serious objection would be interposed by the Atomic Energy Commission.

Mr. JOHNSON of Texas. I give notice that tomorrow, following the morning hour, if the minority leader is agreeable to it, and if the ranking minority member of the committee is also agreeable, I will attempt to propose a unanimous consent agreement that the AEC authorization bill be taken up, and that we expect to dispose of it; however, if a yea and nay vote is ordered, we will carry the yea and nay vote over until next week. If my friend from Illinois, the minority leader, will pursue the possibility of a unanimous consent agreement on the Strauss nomination, we will attempt to make progress on it on our return on Monday.

Mr. ANDERSON. I should like to interpose to say that the printed hearings on the bill will not be available tomorrow. They will not be available until the first of the week.

Mr. JOHNSON of Texas. Then, I withdraw my suggestion that the

Atomic Energy authorization bill be taken up tomorrow. I thought the Senator from New Mexico said the report had been filed.

Mr. ANDERSON. The report has been filed, but the printing of the hearings has been delayed at the Printing Office.

Mr. JOHNSON of Texas. Then, we will take up that bill sometime next week, whenever the Senator from New Mexico informs me that it can be considered.

In the meantime, I ask the Senator if he will counsel with his colleagues and on Monday try to outline a schedule which will be satisfactory to the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. I gather, then, that probably on Monday or Tuesday a unanimous consent request will be proposed, to see how it will fare in the Senate to meet a time schedule. I appreciate the fact that some Senators on this side of the aisle are away, delivering commencement addresses and taking care of other matters back home. I think probably the matter can be worked out.

I ask the majority leader now whether it is his present intention to have the calendar called tomorrow? I had understood that that was his intention.

Mr. JOHNSON of Texas. An order for the call of the calendar was entered earlier today by unanimous consent. I had thought that if the Atomic Energy authorization bill were noncontroversial and in accordance with the President's program, and if it were reported unanimously by the committee and hearings were available, it could be taken up by the Senate and acted upon in a short time, because the House Committee on Appropriations is waiting for its passage. But since the printed hearings are not available, we shall have to wait.

But tomorrow there will be a call of the calendar, and Senators who desire to do so may make speeches. Then the Senate will go over until Monday. After a conference with as many Senators as possible on Monday, we shall try to determine the course of action to follow.

I thank the Senator from New Mexico for his indulgence. I apologize for having interrupted him.

I believe all Senators will now have a better idea of how to plan for next week and the next weekend. I hope the nomination of Mr. Strauss will be disposed of at the earliest possible date.

Mr. ANDERSON. Mr. President—The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from New Mexico.

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

Mr. ANDERSON. Yes; I am happy to yield.

Mr. HART. I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. ANDERSON. I will yield for that purpose, with the understanding that I do not thereby lose the floor.

Mr. HART. With that understanding, 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. ANDERSON. 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. ANDERSON. Mr. President, earlier in the day the able Senator from Maryland [Mr. BUTLER] was about to make a statement on the floor, and I tried my best to be present and available when the Senator made his statement. I wish to say that the Senator from Maryland was most courteous. He showed me a copy of his statement before he made it, because he wanted me to know what he was about to say.

Similarly, I would like to have the Senator from Maryland present this afternoon when I make my remarks, and I asked the roll be called only for the purpose of trying to locate the Senator, so that he might in turn hear what I have to say.

These are difficult days for all of us, and I regret that the Senator from Maryland is not present.

Earlier in the afternoon the able Senator from Maryland dealt with the subject of the responsibility of the former Chairman of the Atomic Energy Commission, Admiral Strauss, to bring to the attention of the Joint Committee on Atomic Energy the contents of a letter from the Attorney General of the United States relating to the legality of the transfer of information to Great Britain, and the Senator quoted from the floor discussion which took place a day or two ago, in which he asked if it were not the duty of the Department of Defense, which was vitally interested in the matter, to make the information available to the Joint Committee. The able Senator from Wyoming [Mr. MCGEE] yielded to the junior Senator from New Mexico, so that I could say it was not the responsibility of the Department of Defense, but that I regarded it to be the responsibility solely of the Atomic Energy Commission. The Senator from Maryland then pointed out that the transfer of information to Great Britain—and I now quote his words—"obviously related to the development, utilization, or application of atomic energy, and was of the greatest importance to the Department of Defense. To single out," says the Senator, "Admiral Strauss, as Chairman of the Atomic Energy Commission, and magnify the importance of this letter and the responsibility he had to call it to the attention of the committee, and, in the same breath, to minimize the responsibilities of the Department of Defense, which under the statute in many ways had a comparable responsibility, is neither reasonable nor fair."

I had been planning to comment on those remarks, and I shall do so.

I suggest to the Senator from Maryland that he check the law, because he is a very good lawyer. In the discussions in the Committee on Finance, in which I have participated with the Senator many times, I have found him to be a competent lawyer.

There are two questions I desire to ask and to have answered.

First, Did the Atomic Energy Commission, during the negotiations from January to June 1956, leading to the communication by the United States to the United Kingdom of nuclear submarine information, comply with section 202 of the Atomic Energy Act of 1954 which requires the AEC to keep the Joint Committee fully and currently informed?

Second, Did the responsibility under section 202 to inform the Joint Committee of negotiations during that period rest upon the Department of Defense or upon the Atomic Energy Commission?

The salient facts may be listed somewhat as follows:

During 1955 the executive branch considered the possibility of communicating to the United Kingdom restricted data on the design of nuclear submarines. It was recognized that substantial questions were presented as to the legality of such communication under the Atomic Energy Act. There were differences of opinion within the executive branch, and it was recognized that objections might be raised by the Joint Committee on behalf of the Congress.

I digress to say that the counsel for the Atomic Energy Commission had been requested to give an opinion, and he gave an opinion that the transfer would not be legal. Not satisfied with the opinion of the counsel for the Atomic Energy Commission, the Department of Defense referred the matter to the Attorney General, and the Attorney General stated that in his opinion restricted data pertaining to nuclear submarine propulsion could be communicated to the United Kingdom under the authority of section 144(a) of the Atomic Energy Act. The Attorney General recommended however, as was brought out repeatedly during the hearings, that "the matter should be discussed with the Joint Committee before the agreements are entered into."

On January 27 the Attorney General's letter was circulated for the information of the Commission.

On February 2, 1956, the Attorney General's opinion was discussed at a Commission meeting attended by the Chairman, Mr. Strauss. Senators will find in the record of hearings a letter dated May 11, 1959, addressed to the junior Senator from New Mexico by the present Chairman of the Atomic Energy Commission, Mr. McCone, published at page 1029 of the printed hearings with regard to the nomination of Mr. Strauss.

By letter of February 14, 1956, the Deputy Secretary of Defense advised the AEC that he believed it was desirable for the Department of Defense and the AEC to make a joint presentation to the Joint Committee, but this was not done at that time. That comes from the testimony of Mr. Strauss himself, pages 689 and following of the record of hearings.

During February, March, April, and May 1956, the negotiations continued with the United Kingdom on this subject, but the Joint Committee was not informed until June 8, 1956. By this date all the essential terms and condi-

tions had already been decided by representatives of the United Kingdom and the United States, and the agreement had in fact been submitted to the President.¹ At a hearing on June 8, 1956, the negotiations and the terms of the proposed agreement were explained to the Joint Committee for the first time. Similarly the Committee was informed of the Attorney General's letter for the first time, and a copy was requested. On June 13, 1956, the President approved the proposed agreement, and it was executed by representatives of the United States and the United Kingdom on the same day. On June 15, 1956, a copy was forwarded to the Joint Committee for the 30-day waiting period required by subsection 123(c) of the act.²

LEGAL ANALYSIS

Section 202 of the Atomic Energy Act of 1954 provides, in part, as follows:

The Commission shall keep the joint committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the joint committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy.³

Section 144 of the Atomic Energy Act of 1954 is the applicable section authorizing communication of restricted data to foreign nations under certain conditions. In 1956, section 144 contained only two subsections (a) and (b). The Attorney General's opinion of January 26, 1956, indicated that, in his opinion, communication of the information might be made under subsection (a) of section 144. Section 144(a) commences as follows:

The President may authorize the Commission to cooperate with another nation and to communicate to that nation restricted data on * * * *

Subsection (b) of section 144 commences as follows:

The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation * * * and to communicate * * * restricted data * * * *

If the communication with the United Kingdom had been contemplated under subsection 144(b), it might have been argued with some merit that the De-

partment of Defense had primary responsibility under the agreement, and thus the responsibility for keeping the Joint Committee informed of the negotiations. However, since the agreement was contemplated under subsection 144(a), it is clear that the AEC had primary responsibility, and the responsibility for keeping the Joint Committee fully and currently informed.

It might be argued that the State Department had the responsibility to inform the Joint Committee of the negotiations. However, the State Department is required to inform the Joint Committee only upon request, and does not have the same affirmative requirement as the AEC does under section 202. Moreover, the State Department was, in effect, only the diplomatic agent of the Commission during these negotiations, and the actual restricted data would originate from the AEC, not the Department of State. Subsection (a) provides that the cooperation and communication will be done by the Commission. It is understood that this would be carried out through normal diplomatic channels provided by the Department of State, but the Department would not be primarily responsible.

It might be argued that the Commission's responsibility under subsection 144(a) commenced only after the agreement was in effect and communication commenced. This argument would be clearly fallacious, in my opinion, because the Commission was required to evaluate the merit and the legality of the cooperation at the very beginning of the negotiations, and it was at this point that the Joint Committee should have been informed.

The legislative history of section 202 indicates clearly that Congress intended that the Joint Committee should receive full information from the Commission on atomic energy matters in order to be able to report and make recommendations to the Congress.⁴ Moreover, under section 202 it was intended that the Commission should inform the committee "while matters are pending, rather than after action has been taken."⁵

The obligations of the Commission under section 202 become particularly important in cases where restricted data is involved and the Congress as a whole would not be informed. Moreover, under the 30-day waiting period of subsection 123(c), Congress had entrusted special responsibilities to the Joint Committee in the important field of international agreements for cooperation, and the Joint Committee must be informed to carry out these important responsibilities.

Finally, in view of the specific warning in the Attorney General's letter of January 26, 1956, to consult with the committee, and the reported willingness of the Defense Department by letter of February 16, 1956, to make a joint presentation to the Joint Committee, it seems

¹ See Chronology, hearings, note 1, supra, at page 706.

² See Chronology, hearings, note 1, supra, at pages 706-707.

³ Public Law 83-703. See Joint Committee print "Atomic Energy Legislation Through 85th Congress, 2d session," at pp. 67-68.

⁴ See Joint Committee print, note 7, supra, at page 38. As indicated by footnote 38 on page 38, the word "civilian" was inserted by amendment in 1958 before the words "reactor development" in clause (2) of subsection 144(a), to prevent any further data on military reactors being communicated thenceforth under authority of subsection 144(a). A new subsection 144(c) was added for this purpose, subject to the more stringent requirements of new subsection 123(d) including possible disapproval by Congress by a concurrent resolution.

⁵ See Joint Committee print, note 7, supra, at page 39. Subsection (b) was amended in 1958, but the subsection as it read in 1956 is reprinted in footnote 39 on page 39.

⁶ Some of the legislative history was summarized by Senator ANDERSON during the hearings, note 1, supra, at pp. 509-510.

⁷ Senate Report No. 1699, 83d Congress, 2d session. See hearings, note 1, supra, at p. 510.

clear that the Atomic Energy Commission failed completely during the months of February, March, April, and May of 1956 to meet its obligations under section 202 of the Atomic Energy Act to inform the committee of this important matter.

Based upon a review of the facts and an analysis of the law as summarized, the two questions which have been asked can and should be answered, in my opinion, as follows:

First. The Atomic Energy Commission did not comply with section 202 of the Atomic Energy Act of 1954 when it failed to keep the Joint Committee informed from January to June 1956, of the negotiations to communicate to the United Kingdom nuclear submarine information. Because of the sensitive nature of the information, the substantial question as to the legality of the cooperation, the known possible opposition of the Joint Committee, the suggestion of the Attorney General, and the special responsibilities of the Joint Committee to the Congress under sections 123(c) and 202 of the act, a situation was presented where the Commission clearly was required to inform the Joint Committee by February 1, 1956, at the very latest.

By way of contrast, the Commission is keeping the Joint Committee fully informed of all developments in the exchange with the United Kingdom of atomic weapons information under Public Law 85-479 enacted by Congress in 1958.

Second. Since the negotiations from January to June of 1956 were proceeding under an agreement contemplated under subsection 144(a) of the Atomic Energy Act of 1954, the responsibility for informing the Joint Committee rested upon the AEC, not the Department of Defense.

Mr. President, on June 9, after the able Senator from Wyoming [Mr. McGEE] had discussed the nomination of Admiral Strauss to be Secretary of Commerce, the Senator from Maryland [Mr. BUTLER] stated—and this appears in the CONGRESSIONAL RECORD on page 10282, column 1:

Mr. BUTLER. I know that the Senator remembers the Senator from Wyoming [Mr. McGEE] holding the transcript in his hand and saying that he had the exact transcript in this Chamber to prove that it had not been altered. If the Senator will refer to page 978 of the record, he will see that the nominee himself said:

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

What the Secretary was saying in that answer, and what he said before our committee, was, in effect, "I made the statement that was attributed to me. I do not claim that it was doctored in any way. I do not claim that that statement was molded in any way, but it attributed a meaning to me that I did not intend to convey."

Then, to my complete satisfaction, he explained what he meant.

Mr. President, the fact is that the nominee made no such statement, and the Senator from Maryland did not say he did, except that he thought this was what Mr. Strauss meant to say. Mr. Strauss' statements are as follows, as they appear on page 978 of the printed

hearings on his nomination, paragraphs 4, 6, 8, and 10:

Secretary STRAUSS. Senator, I submit that this record is not an accurate record and the members of the committee, the 15 members of the committee, stated that it had been molded. This [indicating]—

And I recall Secretary Strauss pointing to the very paragraph—

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

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

Secretary STRAUSS. I say that I did not say what I am here [indicating] quoted as saying.

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

Secretary 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?

Secretary STRAUSS. No, and you can bring down Dr. Libby and Mr. Mitchell and ask them whether I ordered the letter prepared. They will testify I did not, I could not have.

Mr. President, this is the sort of thing which, in my opinion, got the Acting Secretary of Commerce into trouble with the committee. The actual fact is that Representative CANNON made it very clear that Secretary Strauss did say what the record showed him to say. The Senator from California [Mr. ENGLE] presented copies of the reports and a copy of the printed hearings, and asked about these things.

The chairman of the committee, the Senator from Washington [Mr. MAGNUSON], raised the direct question whether Admiral Strauss had been misquoted. The admiral said the statement in the record was not a correct record.

Yet the Senator from Maryland [Mr. BUTLER] keeps saying that Admiral Strauss said he made the statement which was attributed to him; that he did not claim it was doctored in any way. But Admiral Strauss, before the committee, claimed the statement was doctored. What made him change his tune? Or why is the tune changed? It is because the chairman of the House Committee on Appropriations was able to locate the official reporter who took down the language, and bring him to Washington. He had him find his original notes and retranscribe them. Those notes showed that Admiral Strauss said exactly what the report quoted him as saying. There was nothing molded in his answer. His answer was not changed in any way at any time.

The only thing which happened was that when the hearing was finished, there was a strong report, and some members of the committee were offended by it.

But when the printed hearing text was submitted to the Atomic Energy Commission for correction, corrections were made in this particular section, but there was not a single correction of the words in question.

I simply suggest to Senators that if the reporter was able to identify the language of Admiral Strauss—and all of us have had much experience with official reporters—and if Admiral Strauss

identified it and knew he had been quoted incorrectly in the the hearings; and if the transcript was then submitted to the Atomic Energy Commission and was corrected, and if the Chairman himself had the opportunity to examine it, and if he was incensed over the whole situation, but did not change this original paragraph, the probabilities are that he said what the record said he said.

Yet when he testified in the hearings, as shown on page 978, he said:

This is not what I said. I did not ask to have the letter prepared. I did not know what the letter contained.

He was asked by the chairman, the Senator from Washington [Mr. MAGNUSON]:

Are you saying this record is not correct?

Secretary Strauss replied:

I say that I did not say what I am here—

And he put his finger down on the paragraph which the Senator from California [Mr. ENGLE] had pointed out originally—

I say that I did not say what I am here quoted as saying.

I only suggest that that is one of the things which got the Secretary into a great deal of trouble with members of the committee. It would have been just as easy to have told the actual facts, and in my opinion it would have done considerably more good to have told the actual facts. But the matter rested otherwise.

Mr. President, a day or two ago there was a broadcast by a very able and amiable and, I think fine commentator named Ned Brooks, which was made on the "Three-Star Extra." A number of persons telephoned me, and wanted to know whether what Mr. Brooks had said was correct. Frankly, at that time I was rather busy, and I did not hear the broadcast. So I asked Mr. Brooks to supply me with the text of the broadcast—which he very graciously did.

In the course of the text—which I shall now quote—he referred to United Mine Workers President John L. Lewis and the Strauss nomination and said:

We learn that Lewis decided to enter the fight after an unpublicized conference with Strauss about 10 days ago at the union's headquarters here in Washington. Lewis came away from the conference convinced that Strauss' policies would be beneficial both to the coal industry and the union.

Several Senators confirmed that the Mine Workers have become active in the Senate's biggest battle of the year. West Virginia Senator JENNINGS RANDOLPH told us he has discussed the Strauss case with union representatives and coal operators, who also favor confirmation.

Associates of John L. Lewis explained that Strauss sees eye-to-eye with the union on two policies of vital concern to the miners. He has supported the move to reduce imports of so-called residual oil which has become a strong competitor of coal in the fuel markets.

Mr. President, I hope the advocates of Admiral Strauss are playing both sides of the street, and not only one of them, because the fact remains that the question of residual oil was a rather

hot question in some of the New England States.

There are those of us who are very anxious to help on the question of the oil situation in the country; and a group of Senators—and a very fine group it is—made some representations to the President, and addressed the following letter to him:

MARCH 5, 1959.

THE PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: We, the undersigned Senators of the New England delegation, wish to bring to your attention our very serious concern over the proposal which has been made to you to restrict crude oil and residual fuel oil imports.

The Northeastern United States is heavily dependent upon imported fuel oil and its availability has serious economic implications for New England. The voluntary quotas which have been established for crude oil imports have necessarily restricted the growth of oil-using industry in New England. Not only do such quotas impede industrial growth but they add very heavily to the burdens of homeowners who use fuel oil for heating.

We understand that a much more drastic plan than the voluntary quotas now in effect has been presented to you; it would apply mandatory restrictions on the import of crude oil and its principal derivatives, the latter phrase including oil for home consumption as well as residual fuel used principally for industry, apartment heating, and especially the electrical industry. Such restrictions would adversely affect New England's industrial growth, its competitive economic position and the welfare of its citizens.

The cost of living is relatively high in New England. We concur fully in your efforts to stabilize the cost of living and to prevent further inflationary aggravations. Mandatory restrictions would hamper full and free competition in the sale and distribution of fuel oils in New England and thus add to the living costs of our citizens.

We understand that the State Department is gravely concerned over the reaction such a step would have on our relations with Venezuela and other oil producing countries.

May we particularly emphasize this point: New England is located so far from producing areas in this country that its sources of oil are restricted by competition to the gulf coast and foreign sources. This is a different situation from the remainder of the country, so much of which is located equidistant from three or more sources.

At minimum we urge that residual fuel be left out of the definition of principal derivatives. It is a byproduct of refining, used by our electrical industry. Many industries and buildings are wholly dependent upon it for heat, power, and some cases raw materials. In addition we urge that the import quotas, which are to be distributed on the basis of refinery runs, be so allocated that the Northeastern part of the country is either granted the largest quota or exempted from the restriction entirely.

Respectfully,

STYLES BRIDGES, U.S. Senator; THEODORE FRANCIS GREEN, U.S. Senator; GEORGE D. AIKEN, U.S. Senator; LEVERETT SALTONSTALL, U.S. Senator; MARGARET CHASE SMITH, U.S. Senator; JOHN O. PASTORE, U.S. Senator; PRESCOTT BUSH, U.S. Senator; JOHN F. KENNEDY, U.S. Senator; NORRIS COTTON, U.S. Senator; EDMUND S. MUSKIE, U.S. Senator; WINSTON L. PROUTY, U.S. Senator; THOMAS J. DODD, U.S. Senator.

Mr. President, I ask unanimous consent that an article published in the

Providence Journal of April 16, 1959, be printed at this point in the RECORD.

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

NEW ENGLAND SENATORS PRESS FIGHT ON OIL QUOTAS

(By Edward J. Milne)

WASHINGTON.—New England Senators renewed yesterday their assault on President Eisenhower's mandatory quotas on oil imports.

Senator NORRIS COTTON, Republican of New Hampshire, filed a bill to rescind the March 10 order and forbid the President to issue future orders like it without the consent of Congress.

Senators JOHN O. PASTORE and THEODORE FRANCIS GREEN were among the cosponsors, but Senator PASTORE said frankly he had "no illusions that this bill will ever be enacted." The Senate Finance Committee, its likely manager, will probably bury it deep.

Senator PASTORE said that, while presentation of the bill may emphasize objections he and others have raised on the Senate floor, his main hope still is that the President himself will take remedial steps by exempting Western Hemisphere countries from the provisions of his order.

Long before the Easter recess a chorus of complaint in the Senate greeted the March 10 order. Filling his bill yesterday, Senator COTTON said:

"Some of our worst fears were confirmed recently during the Easter recess of the Congress when the specific quotas on residual oil imports were announced. The quota was set at 347,311 barrels a day for the next 3 months. This is a cutback of more than 27 percent when compared to average daily imports of 476,000 barrels in 1957 and 1958.

"A reduction of this magnitude will almost inevitably have the most serious results, especially for New England and the east coast, which uses 50 percent of the residual oil consumed in the Nation."

At the time the President announced his restrictions, Capt. Matthew V. Carson, administrator of the quota program, said it would have very little effect on residual fuel oil imports, which are largely used by industry and other big consumers. He said imports should run about 480,000 barrels a day, or only 6,000 to 8,000 less than they had been running.

Senator COTTON had less hope than Senator PASTORE of Presidential relief.

"New England Senators and others have vainly implored the President to reconsider and revoke his order," he said. "The only means of protest now left open to us is the outright step of proposing that Congress rescind the proclamation. I believe the facts fully warrant the use of this remedy, the last at our disposal."

Mr. ANDERSON. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article from the Washington Post.

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

AIKEN LEADS ASSAULT ON IKE'S OIL CONTROLS, SEES INFLATION DANGER—THREE DEMOCRATS BACK SENATOR'S CRITICISM OF IMPORT QUOTAS

(By Carroll Kilpatrick)

An attack on President Eisenhower's order imposing oil import quotas broke out in the Senate yesterday with Senators claiming that it would lead to more inflation.

A Republican, Senator GEORGE D. AIKEN, of Vermont, led the attack. He urged the President to "countermand the dangerous order . . . before irrevocable damage shall have been done to our economic and political system."

AIKEN told the Senate that you cannot control inflation and promote it at the same time. He said further increases in fuel oil prices and the cost of living are bound to come from the President's order.

Three Democrats—Senators WAYNE MORSE, of Oregon; SPESARD L. HOLLAND, of Florida; and JOHN O. PASTORE, of Rhode Island—applauded AIKEN's speech. Senate Republican Leader EVERETT M. DIRKSEN, of Illinois, replied that the President had not made a summary judgment but had gone into every aspect of the matter very thoroughly before issuing the order designed to reduce oil imports.

BACKED BY TEXANS

The President's order had the support of many independent oil producers and the political support of the powerful Texas Democratic team of Speaker of the House SAM RAYBURN and Senate Majority Leader JOHN-SON if prices rise and the President acts as he suggested he might.

HOLLAND called the order, which he said would seriously damage Florida industry, "ill considered, ill advised, and selfish in the extreme."

He complained that he had made three unsuccessful attempts to see Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, before the order was issued last week.

PASTORE took the floor after AIKEN concluded. He said their speeches had not been coordinated, but he was glad to repeat much of what the Vermonter had said.

"The order is nothing less than tragic for our New England area," PASTORE said.

When DIRKSEN said that a precedent was set for oil quotas when lead and zinc quotas were imposed last year, PASTORE said "three sacred cows"—mineral, oil, and agricultural producers—benefit from current import restrictions.

"Who represented the consumers of America when this order was drawn?" the Rhode Island Senator asked.

AIKEN said the new restrictions are: Discriminatory to a populous region of the United States which has no natural fuels.

A major contribution to inflation. Conducive to unemployment.

Harmful to this country's relations with other oil-producing nations.

Certain to place American industry at a further competitive disadvantage in the world markets.

Weakening our national security because they will tend to exhaust the American oil supply at a faster rate.

Destined to contribute to the growing domination of Government bureaucracy over industry and people.

"You cannot stop with controls over one factor of our industrial and domestic economy alone," AIKEN said. "We may be headed straight for a system of price and wage controls for everyone."

Mr. ANDERSON. Mr. President, apparently it was all right to let those Senators protest and send their letter to the White House. But when it comes to making an effort to garner a few extra votes for Strauss, there is a story that, somehow or other, Admiral Strauss, in his position as Secretary of Commerce, will be strong enough to accomplish what a great many of us have never been able to accomplish—namely, to bring the oil picture into some sort of balance.

I am surprised that such an effort is made before the vote on this important issue is taken; but I only say that the New England Senators may find themselves in a strange situation, as a result of that poll.

On page 678 of the nomination hearings, Mr. Strauss provided a rebuttal to my charge that he withheld from the Joint Committee and his fellow commissioners information concerning the proposed Philadelphia Electric-General Dynamics project. This private project was intended to supplant the project, sponsored by the Joint Committee and the Atomic Energy Commission, for AEC construction of a prototype, known as the Kaiser-ACF project.

Mr. Strauss' statement is a good example of the half-truths and misleading information he supplied the Senate Committee on Interstate and Foreign Commerce, and reflects the pattern of his conduct with the Joint Committee on Atomic Energy.

At this point, I should like to insert a part of the colloquy, beginning on page 678 and ending on page 679:

Mr. STRAUSS. Yesterday there was a question of me concerning a paragraph in Senator ANDERSON'S prepared statement at the bottom of page 20 of that statement, in which he said:

"In June of 1958, Mr. Strauss in his farewell appearance before the Joint Committee casually gave the committee its first notice of the proposed Philadelphia Electric-General Dynamics gas-cooled reactor project, which had been developed to supplant the Kaiser-ACF project authorized by the Joint Committee and the Congress."

I was not very responsive to Senator MONROE'S questions because I didn't remember anything about this.

At the hearing yesterday I had no recollection of this meeting, but I have been able to obtain some facts overnight. I did attend a meeting of the Joint Committee. It was on June 24, 1958, 6 days before the expiration of my term of office, and it was my last meeting with the committee. I tried—it was an emotional occasion for me—I tried to give them a general accounting of my stewardship. During the meeting, and in the course of a discussion about gas-cooled reactors, Congressman HOLIFIELD commented that industry had shown little interest in this type of reactor. The meeting was in executive session, and Senator ANDERSON, I would like to ask your consent as chairman of the Joint Committee that I may quote my response to Mr. HOLIFIELD.

Senator ANDERSON. Surely; if you allow me to take the rest of it, you may take that out.

Mr. STRAUSS. My response to Mr. HOLIFIELD'S inquiry as to why—as to his comment that industry had shown little interest in this type of reactor is as follows:

"Mr. HOLIFIELD, industry has shown some interest. I believe the committee is aware of the fact that Mr. Pace's firm, General Dynamics, has approached one or two utility companies with a proposal to join with them in the construction of such a plant. I have not seen the proposals, but I know of their existence."

I find no mention in the rest of the testimony of Philadelphia Electric, and I am informed that there was no such proposal at that time. Indeed, the record shows that on September 22, 1958, nearly 3 months after I left the Commission, an invitation was issued by the Commission for cooperative agreement and construction of a gas-cooled reactor.

The Philadelphia Electric-General Dynamics proposal, however, was not submitted to the Commission until November 21, 1958, and I had ceased to be a member of the Commission nearly 5 months earlier.

I am unable to see how the reference made to it on June 24, 1958, could have been other than casual under the circumstances of my response to Congressman HOLIFIELD, since

there was no such proposal, and I do not even know that there had been at that time—and I am inclined to think there had not been—any approach by General Dynamics to Philadelphia Electric.

I sincerely hope that this will lay at rest at least one of the allegations which has been leveled against me; and as I said, Senator MONROE, I hope that you will find that it answers your question of yesterday.

The example I wish to go into is Mr. Strauss' statement concerning the nature of the Joint Committee meeting and his appearance before it. He stated that he had obtained some facts on this meeting, and continued:

It was on June 24, 1958, 6 days before the expiration of my term of office, and it was my last meeting with the committee. I tried—it was an emotional occasion for me—I tried to give them a general account of my stewardship.

Mr. President, let us see what the whole facts concerning this June 24 meeting were.

In the first place, that meeting was called by Chairman DURHAM to receive AEC comments on revisions proposed by the Joint Committee to the AEC authorization bill. Let me quote in full, Mr. DURHAM'S opening statement:

Chairman DURHAM. The committee will be in order.

This afternoon the Joint Committee on Atomic Energy is meeting in executive session in order to receive testimony from the AEC Commissioners and staff concerning proposed revisions to H.R. 12459 and S. 3788, the AEC authorization bills for fiscal year 1959.

Last week the Subcommittee on Legislation met and recommended to report the bill to the full committee with certain additions and modifications to the bill. Mr. HOLIFIELD, the chairman of the subcommittee, instructed the staff to meet with the AEC staff as soon as possible and to receive comments from the AEC staff concerning the proposed revisions to the bill.

Accordingly, the staff had printed by the Government Printing Office a committee print which is dated June 20, 1958, and which incorporates the changes approved by the Subcommittee on Legislation. Fifteen copies of this committee print were forwarded to the Commission on Friday morning, June 20, as soon as they were received by the committee from the Government Printing Office.

Accordingly, on Saturday, June 21, 1958, the Joint Committee staff met with AEC General Manager Fields and members of the AEC staff and discussed the proposed revisions to the bill. In accordance with the instructions of Mr. HOLIFIELD, the Joint Committee staff then had reprinted the committee print, entitled "Committee Print No. 2," dated June 24, 1958, which reflected some of the recommendations made by the AEC staff and certain other changes as a result of the committee staff and members.

This morning the full committee met and reported out H.R. 12457 (S. 3786), a bill to increase funds for project Sherwood plant and the particle accelerator program; but before proceeding further with H.R. 12459 and the proposed revisions thereto, the committee felt it would be advisable to hear direct from the Commission concerning the proposed revisions.

Therefore, in accordance with my instructions, Mr. Ramey, the executive director, telephoned Commissioner Vance and invited him and the other Commissioners and appropriate staff to be with us this afternoon.

We are glad to note that Chairman Strauss could attend the meeting as well as General Fields. This will undoubtedly be your last appearance before the committee in your

current capacity. I should like to take this opportunity to repeat on behalf of the committee that we wish you the best of luck and good wishes in your new endeavors.

I do not know who will present the Commission's comments. Since Mr. HOLIFIELD here did discuss these with Commissioner Vance and, I believe, Commissioner Graham, I would like to know what points are in disagreement.

So we see that the meeting was not scheduled for Mr. Strauss to give a general accounting of his stewardship. As I recall, Mr. Strauss had had little contact with the committee during June, and we were surprised that he came to that meeting. You will note, Mr. President, that Mr. DURHAM, as a fine gentleman, did speak a kind word concerning Mr. Strauss, but it was clear that that was not intended to be the place for commendatory speeches.

Following Mr. DURHAM'S opening remarks, Mr. Strauss immediately responded, and plunged into a discussion concerning the authorization bills, as follows:

Mr. STRAUSS. First, let me thank you for your kind expression, Mr. Chairman. I have enjoyed my association with you and members of your committee.

The Commission has not had an opportunity to consider these revisions as a Commission. You state that they have been in our hands since Friday, but the Commission has not had a meeting since that time and, as a matter of fact, I was away and Mr. Floberg was abroad and has just returned, apparently, within the hour. He has been in Italy looking at our exhibit there.

We can, therefore, Mr. Chairman, only comment on this revised bill as individuals. That we will be glad to do to the extent that we can, but we cannot give you a considered Commission judgment at this meeting.

Chairman DURHAM commented somewhat testily in the immediately following exchange:

Chairman DURHAM. Mr. Chairman, of course you realize we have been working on this bill about 2 months and have put a lot of effort and time into it, and time is growing very short here.

Mr. STRAUSS. That is true, sir. The changes, however, only came to the attention of most of us on yesterday morning. Certainly I had not seen them until yesterday.

So, Mr. President, you can see that, once more, Mr. Strauss was beginning to hassle with the Joint Committee. Chairman DURHAM and Mr. HOLIFIELD attempted to get the history of the Joint Committee's consideration of the bill and its cooperation with the AEC, with which Mr. Strauss seemed to be unaware, in the following exchange:

Representative HOLIFIELD. Mr. Chairman? Chairman DURHAM. Since Mr. HOLIFIELD did discuss these points, I yield to him.

Representative HOLIFIELD. As chairman of the subcommittee, I think maybe I owe a little word of explanation.

We met last week and the subcommittee passed out unanimously the committee print under date of June 20, and I was instructed to bring it to the attention of the full committee.

Following our previous custom, working together with the staff of the Commission, I instructed Mr. Ramey to check the bill as reported out by the subcommittee with the Commission staff for any kind of technical changes.

Now several technical changes were suggested by the staff of the Commission in the nature of language in different places which I think are good and should be accepted.

There were some substantive changes suggested, and on those substantive changes, because this meeting had already been set for this morning and it was impossible over the weekend to get the full committee together, or even a working quorum of the committee, I told Mr. Ramey to have printed a Committee Print No. 2 which I intended to bring before the committee this morning for discussion, not as reported out by the subcommittee but for discussion.

In the meantime, in addition to the discussions which Mr. Ramey had with Mr. Fields and his staff, Mr. VAN ZANDT and I also had some discussions with Mr. Vance and Mr. Graham, and they brought certain things to our attention which they thought should be changed in the bill, and I also had those things incorporated in Committee Print No. 2, again for discussion only.

I had not anticipated having the Commission before us on this, but the action taken by the full committee this morning brings the Commission before us.

I think the way to proceed would be to ask the members of the Commission if they wish to comment upon two or three points which were matters of conference between the mutual staffs and also between Mr. VAN ZANDT and me and Mr. Vance and Mr. Graham.

I will bring up the first item—

And so we started out talking about a particle accelerator proposal and research reactor proposal. Mr. Strauss jumped in, to point out that the AEC had never recommended them to the Budget Bureau, although they had been recommended by the AEC Research Division:

Mr. STRAUSS. I think the record should show these two items were never even proposed by the Commission to the Bureau of the Budget. In other words, these were screened in the course of the formal screening the Commission gives to the projects that come up from its division directors. We have never asked for this money.

Then we came to the Joint Committee-AEC sponsored project for an AEC built gas-cooled reactor prototype, the construction of which is now being started. It was here that Mr. Strauss let the cat out of the bag on the General Dynamics project. Many of us on the Joint Committee had wondered why Mr. Strauss had permitted the AEC to go along with a proposed Government-built reactor. And now we knew, for the AEC had proposed a time period to get alternative proposals from private industry. Now we knew who had been picked to carry the ball to supplant the Government-built reactor prototype. Quotations on this discussion are already in the hearings, and I will have more to say on it at a later date.

Suffice it to say that Mr. Strauss in his rebuttal made much of the fact that I called the project the Philadelphia Electric-General Dynamics project, as it is now known. At that time it was known as the General Dynamics-California Edison project. At page 27 of the Joint Committee hearing on June 24, 1958, I inquired as follows:

Senator ANDERSON. Could we find out who the companies are outside of General Dynamics and California Edison?

Mr. STRAUSS. I was told, Senator, and since I am not certain as to the name, I would

rather not introduce them into the record; but I do not think it is a secret. I think I could find out and supply them.

Then we proceeded to other matters.

I ask unanimous consent that the next item be printed in the Record at this point.

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

Mr. STRAUSS. You have asked for all of our views, Mr. HOLIFIELD. Mine would have to be expressed in this way, sir: that I believe when the budget was submitted, when our request for authorization was submitted to your committee that it was adequate, that it fitted not only the atomic energy program but took its proper place in the overall program which the Government will have to finance. And for that reason my own view, if the Commission were meeting on this, would be to oppose any increase in the budget for any of these items and to request the restoration of the two items in which cuts were made.

This would mean that I would also oppose project 59-a-5, which is item 5 on page 2. That is the largest item, the production reactor for special nuclear materials, of \$145 million.

Senator ANDERSON. Which one?

Mr. STRAUSS. 59-a-5 on page 2. And my reason for doing so is one with which your committee is well familiar; namely, that we have no military requirement at the present time for this material, although we have, as you know, been in constant touch with the Department of Defense on this subject.

Mr. ANDERSON. That statement refers to our large plutonium reactor now being built at Hanford on the west coast. Mr. Strauss had just finished saying what his reason was for opposing the reactor, in these words:

With which your committee is well familiar; namely, that we have no military requirement at the present time for this material, although we have, as you know, been in constant touch with the Department of Defense on this subject.

At this point my colleague the Senator from Washington [Mr. JACKSON] jumped in to inquire as to whether AEC had not originally requested a production reactor. Several pages were covered on this point. Finally Senator JACKSON stated as follows:

I am flabbergasted by this testimony. I must say that most of the committee members are.

This, we have been told, was a lovely, sweet, sentimental occasion. I repeat, the Senator from Washington [Mr. JACKSON] said:

I am flabbergasted by this testimony. I must say that most of the committee members are.

Mr. DURHAM, after analyzing our needs for plutonium and the situation at Hanford stated:

I am not willing to let the Bureau of the Budget run the defense of my country, and I want that on the record.

Mr. President, it was this convertible plutonium reactor which the Joint Committee recommended and Congress authorized over Mr. Strauss' objections. Chairman McCone of AEC, after some study, has gone ahead with the construction of this reactor.

Then the committee considered the Puerto Rico reactor and the MURA accelerator project. And that was all. No farewell statements. No speeches.

I repeat Mr. Strauss' statement before the Senate Committee on Interstate and Foreign Commerce on May 7, 1959 concerning our meeting on June 24, 1958:

It was my last meeting with the Joint Committee. I tried—it was an emotional occasion for me—I tried to give them a general account of my stewardship.

Where was the "general account of my stewardship" by Mr. Strauss? There was none.

But in a sense it was a general commentary on his stewardship in AEC. For he was fighting Congress and the Joint Committee down to the bitter end. It may have been an "emotional occasion" for Mr. Strauss, but not of the type he implied.

I picked up a news column the other day, headed, "The Lynching of Strauss." It is an interesting column, describing how the man was to be lynched, and it ended up with this paragraph, which I now read:

Perhaps Senator ANDERSON, who is Admiral Strauss' particular opponent, can explain the motivation for this charge or perhaps he can explain why, with so many pages of vituperative testimony, there is nothing in the record which really upholds this charge.

That was the charge that Admiral Strauss had sometimes been a little careless with the truth.

So let me take up some of them.

The first one on this statement appears on page 827 of the nomination hearings, by Admiral Strauss.

I have never asked for anything on Mr. Inglis in my life.

The letter from John McCone, the Atomic Energy Commission Chairman, on pages 884 and 885 of the same hearings, says Strauss did ask for information on Inglis, and did it on April 20 of this year.

Admiral Strauss then said he inquired about Inglis—and I refer to page 842 of the same hearings—after an article by Drew Pearson was published on May 5. But the letter from Mr. McCone says Strauss inquired on April 20.

These are two pieces of evidence that could help the writer of that article.

As it appears on page 44 of the nomination hearings, Admiral Strauss said there was "absolutely no difference" between the State Department and the Commerce Department on the shipment of 30-inch pipe to Russia.

The New York Times article, from which many of us got information, and which appears on page 1068 of the hearings, and the State Department memorandum, which appears on page 1074 of the hearings, state otherwise. So also does Mr. Strauss' letter to the Senator from Washington [Mr. MAGNUSON], which appears on page 1073 of the record of hearings. By the time he wrote that letter, Strauss had to admit the situation was different.

Strauss said, on page 695 of the nomination hearings, that he had not seen the Attorney General's letter on the exchange of secrets with respect to the *Nautilus*.

I come back once more and quote from page 1073 of the same hearings, the letter of Lewis Strauss under date of May 19 to the Senator from Washington [Mr. MAGNUSON]:

While there was a difference of opinion on this issue in the Operating Committee, the Department of State at the policymaking level did not feel that the reasons for the difference were sufficient to appeal the majority views of the Operating Committee to the Advisory Committee on Export Policy.

Yet we have his statement on page 44 of the hearings that there was absolutely no difference between the State Department and the Commerce Department.

I turn now to what the Department of State said. This memorandum is dated March 3, 1959. I ask unanimous consent that the entire item which is from page 1074 of the Strauss nomination hearings, appear in the RECORD at this point.

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

MARCH 3, 1959.

To: Chairman, Operating Committee.

From: Department of State member.

Subject: Proposed export of line pipe to U.S.S.R.

The Department, during the Operating Committee discussions with respect to the security rating for steel line pipe, considered that this item should not be included in the group of items subject to a presumption for denial when intended for a Soviet bloc country. The Department's position was based on the absence of any international control over this item, a situation which would enable the bloc to obtain the pipe without restriction from free world sources outside the United States, and which therefore would render United States unilateral control ineffective. (It may be noted that line pipe had previously been available to the Soviet bloc from free world sources on the basis of International List II (quantitative limitation).)

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the Chairman of the Operating Committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are, first, that denial will not be effective in preventing the Soviet Union from continuing its pipeline projects since the available evidence indicates that other producing countries have no legal basis to embargo line pipe and therefore will not hesitate to supply Soviet import needs for this item; and second, that in those instances in which U.S. unilateral controls would not be effective, it would be inadvisable on balance to take unilateral actions more restrictive than those taken by other COCOM cooperating countries, either individually or multilaterally.

In the case in question, information which has become available since the review of U.S. export controls strengthens the Department's belief that the United States cannot exercise an effective unilateral control over this item, and that denial of export licenses for the pipe in question will not have a significant adverse effect on Soviet bloc war potential. As the Department has previously stated to Secretary Weeks it does not perceive any advantage to be gained from maintaining under a presumption of denial items which cannot be effectively unilaterally controlled by the United States.

While the foregoing views represent the Department's considered opinion, it is not proposed to appeal to the Advisory Committee on Export Policy the recommendation of the Chairman of the Operating Committee. This memorandum is submitted in order that

the Department's views may be a matter of record with the Operating Committee.

Mr. ANDERSON. This is the significant paragraph:

The Department, therefore, consistent with this position on listing, originally reserved its position and subsequently objected to the recommendation of the Chairman of the Operating Committee to deny an application to export line pipe to the U.S.S.R. The grounds for the Department's objection are—

Then it went on with a list of the objections. Yet the Admiral would have us believe there was absolutely no difference between the State Department and the Department of Commerce.

I recommend the reading of that matter to the columnist who thought there was no evidence anywhere of anything of that kind.

I turn now to the statement that Mr. Strauss had not seen the Attorney General's letter on the *Nautilus* secrets exchange, which appears on page 695 of the nomination hearings. The fact is that he attended on February 2, 1956, a meeting at which the letter was discussed, and he himself transmitted a copy of the letter to the Joint Committee, over his own signature, on June 29, 1956.

Yet he stated he had never seen it until 1959. But I said he sent it to the Joint Committee on Atomic Energy and signed the transmittal letter—and I exhibited the letter to the members of the committee—with his own signature, which he would not have been in a position to refute.

Next I refer the columnist to the item that Admiral Strauss stated his testimony was "molded" by the House. Chairman CANNON refuted that.

Mr. Strauss denied that he said the record was inaccurate, as appears on page 978 of the nomination hearings. The Senator from Washington [Mr. MAGNUSON] challenged Strauss on that statement. Why did he do so? The Senator from Washington [Mr. MAGNUSON] has been a Member of Congress for a long time. When I first came to Congress in 1941, he was not a new Member. He has been a Member, steadily, ever since. He has held many positions of responsibility, most of them dealing with defense and interstate and foreign commerce. In all that time he has had opportunity after opportunity to examine the accuracy of the reporting done by the reporters who take down the testimony. He also knows it is customary to circulate to those who have testified a copy of their testimony for corrections. He knew that, if inaccurate, the testimony would be corrected. Now that the accuracy of the record had been brought into question, the reporter came down and transcribed his notes again, and found he had reported them correctly. I think that should be enough evidence.

The item I next want to discuss I shall mention only briefly.

In regard to the *Nautilus* secrets exchange, Admiral Strauss said on page 688, paragraph 10 of the nomination hearings:

The supposition that I have, after talking with the staff of the Atomic Energy Commission, is that this fell between two stools.

I submit if a Member of Congress goes carefully into the matters which I have put into the RECORD he will find the responsibility under section 144(a) is solely the responsibility of the Commission and is not the responsibility of the Department of Defense. It did not fall between two stools.

The admiral testified before the Joint Committee in 1958 that the decision on a change in uranium policy was reached only 3 days before the public announcement. That is shown on pages 75 and 76 of the section 202 hearings of the Joint Committee for February 20, 1958. Jesse Johnson, when called, and he was in charge of that matter—said the decision was reached several weeks earlier. Many people felt that it was, and that the uranium industry in the United States should have been told about it.

I am not again going to go into the question of the Norwegian isotopes. That is a long and very interesting story. I only suggest that when somebody claims the law proscribed the shipment of isotopes, when the Commission itself took the opposite view, when the attorney for the Commission took the opposite view, and when the author of the act took the opposite view, it is a pretty serious thing to claim that the law was otherwise. Mr. Strauss said he had the advice of counsel. What counsel? It was not the counsel of the Atomic Energy Commission. It was no counsel we know anything about. The language is just tossed into the record and left there without any attempt whatever to bring in the individual who might have given advice on the matter.

I say, Mr. President, these are some of the things which are disturbing members of the committee.

I suggest also if some of the individuals who write the sort of columns which have been quoted, which indicate there is not a bit of evidence in the testimony, really believe that to be so, they might consult some of the members of the Committee on Interstate and Foreign Commerce, because it strikes me as a remarkable thing that eight members of the committee could come to the conclusion they did, since many if not all of them had very open minds at the start of the hearings.

We heard the statement of the Senator from Wyoming [Mr. MCGEE], who was waiting to be persuaded. These hearings were what I think persuaded him. Testimony after testimony was offered, which he found to be such that he could not rely upon the statements.

I therefore believe, Mr. President, the Members of the Senate need to read the hearings and need to make their own analyses of what is in them. If they do, I am confident how the vote will be cast.

ORDER FOR ADJOURNMENT

As in legislative session,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock tomorrow.

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

OPPOSITION TO THE DUMPING OF RADIOACTIVE WASTES IN THE GULF OF MEXICO

Mr. YARBOROUGH. Mr. President, on May 15, 1959, I made a statement on the floor of the Senate opposing the dumping of radioactive waste materials in the Gulf of Mexico only 150 miles offshore from the Texas coast.

A hearing was held in Houston, Tex., in January 1959, by a representative of the Atomic Energy Commission on the application of the Industrial Waste Disposal Corp. for a license to dispose of radioactive waste materials in the Gulf of Mexico. No decision had been announced by the examiner at the time of my statement to the Senate on May 15.

Following my statement, two Atomic Energy Commission staff members called at my office on May 18, 1959, and stated to me in substance that there was either no danger or little danger from the disposal of a small amount of radioactive waste from the city of Houston. They promised to send to my office reports on the problem for my study. I told them I would make no additional statement on the subject until the reports had been received. They assured me no action would be taken by the Atomic Energy Commission on the Houston application until I had the reports on the Houston situation.

Thereafter, on May 29, before any reports were furnished to me, the Atomic Energy Commission announced a decision by its examiner ordering the granting of a license on June 20 to dump the radioactive wastes in the Gulf of Mexico 150 miles from the Texas shore.

This was in direct violation of the promises made to me by the representatives of the Atomic Energy Commission to take no action on the Houston application until I could study the reports. These reports were not furnished to me until June 4, 5 days after the issuance of the intermediate order. This was a breach of faith, and it quite naturally impairs my trust and confidence in the representatives of the Atomic Energy Commission.

Why this inordinate haste? If the dumping of radioactive wastes at the site selected was safe, why did the Commission's representatives act so duplicitous about it?

After the AEC had issued its order of May 29, it finally forwarded to me, on June 4, certain materials under a cover letter as follows:

*U.S. Atomic Energy Commission,
Washington, D.C., June 4, 1959.*

HON. RALPH YARBOROUGH,
U.S. Senate.

DEAR SENATOR YARBOROUGH: During a discussion with AEC staff member on May 18, you requested certain reports on the subject of ocean disposal of radioactive wastes.

Enclosed herewith are the reports in question with the exception of certain reports of the National Academy of Sciences which will be forwarded as soon as they are received.

Sincerely yours,

RICHARD X. DONOVAN,
Special Assistant to the General Manager (Congressional).

(Enclosures: As indicated above.)

Mr. President, the materials forwarded included abstracts of some of the testi-

mony taken at the Houston hearings in January of 1959 but withheld and not furnished before the order was entered, as they had promised to furnish it.

Mr. President, in long distance telephone conversations I have had with representatives of the Sportsmen's Clubs of Texas, excerpts of the evidence have been quoted to me which indicate the unsafety and the highly undesirable nature of the processing and dumping for which the AEC license opens the door.

The growing knowledge in Texas of what is about to happen to our Gulf waters is illustrated by a letter I received from the Texas Shrimp Association, dated June 6, 1959, which reads as follows:

*TEXAS SHRIMP ASSOCIATION,
Brownsville, Tex., June 6, 1959.*

The Honorable RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: The shrimp industry of Texas has viewed with considerable alarm the issuance of a license by AEC for the disposal of atomic waste in the Gulf. Although purported to be harmless by AEC scientists, we feel their basis for such conclusion to be scientific hypothesis rather than actual experience. I have been reading of your activity concerning this matter and wish to commend you on the stand you are taking. I know that everyone in the shrimp industry appreciates your position in this matter, and wish to state that we are in wholehearted accordance.

Respectfully yours,

J. E. BARR,
Executive Secretary,
Texas Shrimp Association.

In addition, I have received a resolution from the board of directors of the Texas Ornithological Society opposing this dumping of radioactive waste into the Gulf, which was passed by unanimous vote at Tyler, Tex., May 2, 1959, and reads as follows:

*"RESOLUTION OF TEXAS ORNITHOLOGICAL SOCIETY
OPPOSING RADIOACTIVE WASTE DISPOSAL IN THE
GULF OF MEXICO*

"Whereas Texas Ornithological Society is an organization founded upon the firm belief that the biological resources of Texas, and of the United States and the Gulf of Mexico have an economic, educational, recreational, and social value which should be protected, conserved and perpetuated for ourselves and for our posterity; and

"Whereas this organization believes that the Gulf of Mexico, and all of the bays and tidal waters, connected therewith constitute a very important part of the marine and wildlife resources of the United States and of Texas, and that the Gulf of Mexico and the bays and tidal waters connected therewith have great economic, recreational, and social value not only to the people of the State of Texas, but to the people of all of the United States; and

"Whereas this organization is accordingly dedicated to the conservation and protection of said waters and the marine life contained therein; and

"Whereas the Industrial Waste Disposal Corp. has made application to the U.S. Atomic Energy Commission under docket No. 27-9 for permission to dispose of radioactive waste material into the Gulf of Mexico: Now, therefore, be it

"Resolved by the board of directors of Texas Ornithological Society at its directors meeting in Tyler, Tex., on May 2, 1959—

"(1) That the proposed plan of Industrial Waste Disposal Corp. and the U.S. Atomic Energy Commission for sea disposal in the Gulf of Mexico of radioactive waste material, constitutes a serious threat to and will ad-

versely affect the marine life of the Gulf of Mexico and all bays and tidal waters connected therewith, and that said proposed plan if allowed to go into effect will seriously affect if not destroy the economic and recreational value of said waters;

"(2) That the sea is one of the few remaining natural resources that still remains virtually unspoiled and uncontaminated, and from which is produced a great part of our food supply and which will in all probability produce an even greater amount of our food in the future, together with the unlimited recreational facilities of the waters and beaches thereof, and its purity should not be jeopardized without absolute safeguards and extreme emergency;

"(3) That in the interest of conservation and in the health, welfare, and benefit of the people of the State of Texas and of the United States, it accordingly be made known to each U.S. Senator and each Member of the U.S. House of Representatives from Texas, that Texas Ornithological Societies oppose the proposed plan of the Industrial Waste Disposal Corp., the U.S. Atomic Energy Commission and all others who may now or later entertain desires of sea disposal of radioactive waste material in the Gulf of Mexico;

"(4) That the secretary of the Texas Ornithological Society be instructed to furnish a copy of this resolution to each U.S. Senator and each Member of the U.S. House of Representatives from the State of Texas."

I, secretary of Texas Ornithological Society, do hereby certify that the foregoing resolution was adopted by unanimous vote of the board of directors of said organization at its regular meeting on May 2, 1959, at Tyler, Tex.

Mrs. RUTH S. MOORMAN,
Secretary, Texas Ornithological Society.

After my statement on the floor of the Senate, and the action of the Commission examiner on May 29 in entering the order, despite the pledge of the representatives of the Commission that no such order would be entered until we could study the reports, the Commission representatives seem to have had an uneasy feeling about the matter. They attacked my statement of May 15, by their statement printed in the Dallas Morning News of Sunday, May 31, 1959, 2 days after they entered the order they promised they would not enter, under the heading "Atomic Dump Ground in Gulf Fought."

The Dallas News statement contains the following:

An AEC scientist said YARBOROUGH was in error. The Gulf Stream, he stated, doesn't originate in the Gulf of Mexico, but in the tropical waters of the Atlantic, coming along the Florida coast on the Atlantic side and well away from any part of the Gulf.

In my statement on the 15th of May on the floor of the Senate I pointed out that the Gulf Stream flows out of the Gulf of Mexico, flows up the Atlantic seacoast, and warms the waters of the eastern Atlantic seaboard, goes past the Grand Banks, and there is met by the western limit of the iceberg area. The Gulf Stream warms the particles of fish food which are in suspension and carries them up to the Grand Banks, which is one of the great fishing areas of the world.

Then the Gulf Stream crosses the Atlantic, warms Europe, and turns parts of northern Europe into a warm, pleasant land, while to the west Labrador, in the same latitude, is generally too cold for human beings to thrive in.

In an effort to discredit my statement, the Dallas Morning News quotes the Atomic Energy Commission scientist, who says that the Gulf Stream originates in the tropical waters of the Atlantic, coming along the Florida coast on the Atlantic side, and well away from any part of the gulf. When the Atomic Energy Commission scientist claims that the Gulf Stream stays well away from any part of the gulf, he causes us to wonder what kind of a scientist he is. Any fifth-grade schoolboy knows that the Gulf Stream flows through the Gulf of Mexico.

It starts in the South Atlantic, but it picks up velocity when it comes through the Caribbean and the Gulf of Mexico. It comes out of the Gulf of Mexico between Cuba and Florida at a speed of from 4 to 5 miles an hour, or more than 100 miles a day.

The Gulf Stream splits into two parts in the Gulf of Mexico as it comes past Cuba and Yucatan. The eastern branch flows around the western end of Cuba. The western branch flows around the shores of Mexico and the coast of Texas. It then joins the other part of the current. The middle part of the current is relatively quiet.

It is the western current which the Atomic Energy Commission proposes to make the principal dumping ground for radioactive waste material. The two branches of the current join and come out of the gulf between Cuba and Florida, with a velocity, as I have said, of 4 or 5 miles an hour, or more than 100 miles a day. The Gulf Stream is one of the greatest currents in the oceans of the earth. It passes between Cuba and Florida and flows up to the Grand Banks of Newfoundland, then across to Europe, whose climate it warms in winter, and whose beaches it bathes.

The person, the Dallas News says, is a scientist for the Atomic Energy Commission is hard put when, in an effort to justify this hastily granted order to dump radioactive waste materials in the Gulf of Mexico, he tries to tell the people of Texas that the Gulf Stream bypasses the gulf.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. YARBOROUGH. I am glad to yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. Would it make any real difference? After all, what the Senator is protesting is the making of a dumping ground out of his backyard. Suppose the Gulf Stream turned around and flowed up the coast of Africa? Would that make it any more desirable to make a dumping ground out of the Senator's backyard?

Mr. YARBOROUGH. I thank the distinguished Senator from New Mexico. As chairman of the Joint Committee on Atomic Energy, I believe he knows more about the atomic energy program than any other American, except perhaps some of our scientists. I pause to pay tribute to his leadership in the Strauss hearings. As a member of the Senate Committee on Interstate and Foreign Commerce I heard his testimony. I have never listened to any witness before any

committee of this body whose patent truth shone out all over him like a light, to a greater extent than was the case when the distinguished Senator from New Mexico gave the Senate Committee on Interstate and Foreign Commerce the facts. In the Strauss hearings he performed an outstanding service for the Senate, for the Government, and for the people of the United States, and I pay tribute to him.

In answer to the inquiry of the Senator from New Mexico, I will say that it would not make any difference whether there was any Gulf Stream or not. But this order shows the kind of practice in which the Commission is indulging. It causes me to wonder whether the leadership and the practices of Mr. Strauss have lingered on in the Atomic Energy Commission.

The Dallas News says a scientist from the Atomic Energy Commission stated that the Gulf Stream does not come through the Gulf of Mexico, but that it starts in the southwest, in the tropical waters of the Atlantic, and comes by the shore of Florida, entirely away from the gulf. As was aptly pointed out by the distinguished Senator from New Mexico, it would not make any difference where the Gulf Stream flowed, or whether there was any Gulf Stream. I merely cite that statement of the so-called scientist to show how extreme the Commission has become in its efforts to discredit anyone who fails to agree with it.

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

Mr. YARBOROUGH. I am glad to yield to the Senator from California.

Mr. ENGLE. I compliment the Senator from Texas on the very fine statement he is making. He is undertaking to protect his people from operations off the coast of his State which would cause the shrimp and everything else to become radioactive. In addition, as I understand the Senator, the Gulf Stream flows up to the Grand Banks, the great fishing area in the northern part of the world. Is not that correct?

Mr. YARBOROUGH. The Senator is correct.

Mr. ENGLE. We are likely to end up with radioactive fish, in addition to the radioactive shrimp and everything else in the Gulf of Mexico. When the Gulf Stream goes up to the north the fish caught there are likely to be radioactive. We have radioactive milk and radioactive bread. Are we to have radioactive shrimp and fish in addition?

Mr. YARBOROUGH. The question by the distinguished Senator points up a very important fact in this entire problem. I shall come to it a little later.

Mr. ENGLE. I am intrigued by references to swimmers on the fine coast lines. We are likely to have radioactive swimmers on the coast line of Monte Carlo and other places on the French coast, are we not?

Mr. YARBOROUGH. We might well have, but I point out to the distinguished Senator, in answer to his question, that the great fishing areas in the North Atlantic which have been referred to, furnish a large portion of the fish which reaches American and European tables.

Another point I have in mind is that when the radioactive material gets into the water, it does not remain in suspension. It concentrates very rapidly in marine life, in plant life, and in fish life, and in such animal life as is in the ocean. It concentrates very fast, and therefore it is possible, in water which has very low radioactivity to catch fish which are very highly radioactive.

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

Mr. YARBOROUGH. I yield.

Mr. ENGLE. Since the distinguished Chairman of the Joint Committee on Atomic Energy is in the Chamber, I should like to say that the problem of the disposal of atomic waste material is a very serious one. Questions have been raised regarding the prevalence of this radioactive material in the atmosphere. Apparently now we are going to get it in the ocean as well. Would it not be much more intelligent—and I ask this question because the distinguished Senator from New Mexico is present—to put this material underground some place? No one knows how long the radioactive characteristic continues. Would it not be more intelligent, therefore, to find a place underground to dump it, where at least it would not permeate the atmosphere or the ocean?

I again compliment the distinguished Senator from Texas on his vigor and alertness in trying to protect the people of his State.

Mr. YARBOROUGH. I thank the distinguished Senator from California for the interest he has shown in the House and now in the Senate in this matter, as well as for his alertness to so many other problems. He, too, is a member of the Committee on Interstate and Foreign Commerce, and he has shown great awareness of problems around the world.

In response to the specific inquiry of the distinguished Senator from California, I must say to him that I am not a scientist and I am not an expert. I do not know of the safest way to dispose of atomic wastes. Some scientists say they should be disposed of deep in the bowels of the earth. Perhaps it would be best to bury them in an abandoned mine shaft or perhaps in dry holes where there is no oil underneath the ground. I am not an expert, as I say, and I am not attempting to usurp the functions of scientists or experts. All we ask is for some time to study the problem, and so that we may have an opportunity to protest, and an opportunity to employ scientists to study the problem. We do not want to be misled again. When we made our request, we were misled, and an order was issued when we were promised that none would be issued.

To show how ridiculous this situation is but without trying to labor the point, I have displayed in the Chamber a National Geographic Society map of the Atlantic Ocean, printed in Washington in December 1955. That is the map to which I have alluded during my remarks. It has red arrows printed on it, showing where the Gulf Stream originates and where it flows.

All that the so-called scientists would have to do to ascertain where the Gulf

Stream flows would be to look at the red arrows printed on the map. They would not have to read any books. All they would have to do would be to look at the red arrows printed on the National Geographic Society map of the Atlantic Ocean. That shows the Gulf Stream. If the scientists for the AEC who said the Gulf Stream stayed "well away from any part of the gulf" would look at the map, he would see the red arrows depicting the course of the Gulf Stream, and he could read, printed on the map in the Gulf of Mexico the words "here the gulf streams runs north at a speed of 4 to 5 miles per hour." This is printed on the map, Mr. President, in a location in the eastern part of the Gulf of Mexico.

I refer the AEC representative to a fine text on the Gulf Stream written by Hans Leip, published in Germany in 1957 under the title "Der Grosse Fluss Im Meer," in England under the title "The Gulf Stream Story," and in the United States in 1950 under the title "The River in the Sea." I also refer to "The Ocean River," by Henry Chapin and F. L. Walton Smith, published by Charles Scribner's Sons in 1952. If time does not permit the AEC representative to peruse a book, I recommend that he just look in Webster's Unabridged Dictionary where he will find that the Gulf Stream is defined as flowing through the Gulf of Mexico. It seems that everybody knows where the Gulf Stream is except the representative of the AEC who was trying to uphold the action of the Commission in granting permission for the dumping of the radioactive waste off the Texas coast. Or, perhaps, that AEC representative did know, but put a higher value on false propaganda than he did on scientific truth.

If it seeks to mislead the public about the geographic location of the Gulf Stream, how can the AEC expect the public to have confidence in the statements it makes about the dangers from radioactive fallout, or from dumping radioactive materials in the Gulf of Mexico—matters of far greater complexity, in a field where knowledge is uncertain at best?

Mr. ANDERSON. Mr. President, will the Senator yield again?

Mr. YARBOROUGH. I am happy to yield to the Senator from New Mexico.

Mr. ANDERSON. May I say to the Senator from Texas that I do not believe we need to wait until all the opinions of the experts or scientists are in. There is as much disagreement among experts as there is among laymen. It is not necessary to wait until all that time to know what to do with radioactive waste.

The statement made by the Senator from California [Mr. ENGLE] needs to be taken at far greater value than perhaps it might be as a casual comment. It is entirely possible that the best place for disposing of radioactive material may be in an abandoned salt mine.

For that reason I say to the able Senator from Texas that when he came to me with this problem, I was particularly interested in it, because no one else has a solution to it. Many persons have theories about it. The theory of the Senator from Texas and the theory

of the Senator from California may in the final analysis be far more important than the theories of some of the scientists at this time. Of course we know the story of the Greek scientist who developed the strong focusing principle, and submitted it to large laboratories. They filed it away. They said, "This fellow is crazy. He does not know what he is talking about. It could not possibly be of any value because he is not a good enough physicist." Finally, a long time later, we found that he had exactly the right slant, and it was a magnificent thing.

Therefore, some casual comments made here during the course of the remarks of the Senator from Texas may prove to be very valuable, indeed, in the long run. I should like to give the Senator from Texas a little more comfort than I have been able to do thus far. This matter is in what might be termed a quasi-judicial stage. He knows the impropriety of my trying to interfere in it while it is in such a status. It is before the Commission. When the Senator brought the matter to me, I thought it was a very important subject. It was taken up in the so-called Hollifield hearings when they were held before the Joint Committee on Atomic Energy. I thought at that time there would be sufficient discussion of it to be of great benefit to the situation which the Senator from Texas had outlined to me.

I can only say to him that I too, thought as he thought, that he had a pledge that this thing would not happen. I am sorry if the pledge was broken.

I should say to the Senator also that if he objects to it, and keeps on objecting, after the pledge has been broken, he will get in the same category in which the junior Senator from New Mexico finds himself, who is regarded as being quarrelsome. Some persons think that when a man stands up for his rights, he should swallow this and that and like it; otherwise, he is quarrelsome. I hope the Senator from Texas will continue to stand up for his rights. I assure him that the Senator from New Mexico will do everything he can to help him.

As to the time schedule as to when I might help him, I have been trying to see when I might be able to do some of these things. I announced this afternoon that the authorization bill for the Atomic Energy Commission for the next fiscal year is now ready and will be taken up in the House, according to the statement of the majority and minority leaders sometime next week. That has taken 2 months of our time. Therefore we could not undertake any substantial investigation of the point the Senator from Texas has raised. Once we have finished with the authorization bill, we have to start—and we did start today—on discussions with regard to agreements for cooperation. We have them with France and West Germany and Greece and Turkey and Canada, plus a substantial one with the NATO nations. The discussions are going to take some time. The discussion today barely got off the ground. We are in the middle of a problem as to what

France will do. I wish to make this pledge to the able Senator from Texas, for I think his cause is just and his zeal is commendable, that at the first opportunity, consistent with the fact that this may be in a quasi-judicial stage, the Joint Committee will try to make an investigation or conduct hearings, to bring this matter forcibly before the American people.

Mr. YARBOROUGH. I thank the distinguished Senator from New Mexico for his outstanding leadership in this field in an effort to protect the American people. I am very grateful to him for his statement today, because I know of the great duties which have been cast upon him. We sought counsel from his committee, but we have not attempted to put any additional burden upon them because of all the work they are now doing. To be perfectly candid, we did not think it was necessary to do so, because representatives of the Atomic Energy Commission had promised that nothing would be done about the proposed dumping until the record could be studied, and we had conferred with them about the record, because we had received conflicting reports about what was in it. We received one report from the representatives of the Atomic Energy Commission. We received other and very sharply conflicting statements from persons who had participated in the matter in Texas.

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

Mr. YARBOROUGH. I yield to the Senator from Alaska.

Mr. BARTLETT. The Senator from Texas is to be congratulated, commended, and praised for calling to the attention of the Senate and the country the situation to which he is now referring. It is, of course, an effort primarily in behalf of the people of Texas, as is right and proper, but the implications are broader and more important than that, in my opinion, and extend to the entire country.

I, for one, was happy to learn that, so soon, his remarks had been heard by the Chairman of the Joint Committee on Atomic Energy, who has promised early action looking toward a proper solution of the problem to which he has alluded.

I know that the Senator from Texas realizes, as I do, that in some instances the departments of government are getting pretty large, and that sometimes the right hand does not know what the left hand is doing. Not long ago I had some experience on this subject. A witness before the Joint Committee had not been informed about the existence of an experimental project in Alaska, and said it had been canceled. That turned out not to be the case. Nevertheless, when one has been given positive assurances, as was the distinguished junior Senator from Texas in this case, those promises ought to be lived up to. I know that the people of Texas will be grateful to him for his intercession and his interest in the matter. I, as a Member of the Senate, certainly am also.

Mr. YARBOROUGH. I thank the distinguished Senator from Alaska for his informed remarks and for his kindness.

He has had great legislative experience, having represented Alaska in the House of Representatives for many years before coming to the Senate. Like the present Presiding Officer, the distinguished junior Senator from West Virginia [Mr. BYRD], the Senator from Alaska had previous legislative experience in the U.S. Congress before coming to this body.

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

Mr. YARBOROUGH. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I wish to join other Senators in commendation of the junior Senator from Texas for what he has said about the Atomic Energy Commission and those in authority in that Commission, whoever they are, concerning the disposal of atomic wastes in the Gulf of Mexico. It is very interesting to me to hear what the Senator from Texas is pointing out. The Senator might or might not know that I have had drawn to my attention an alarming situation in Kansas similar to that which alarms the Senator from Texas with respect to the Gulf of Mexico.

Reference was made a moment ago to the probable disposal of atomic wastes in the bowels of the earth. Several months ago, I drew the attention of the people of my State to the fact that some experiments were taking place in salt mines in Kansas. The nature of those experiments was not completely disclosed.

It was assumed by some laymen that the salt mines would be utilized for the disposal of atomic wastes, which are highly radioactive. I am alarmed, and shall watch with great interest the extent to which the pilot plants in the salt mines in Kansas will be utilized for the further dumping of radioactive atomic wastes in salt mines in Kansas.

Like the Senator from Texas, I am of course concerned about what the effects of such dumping will be upon in the areas in which the atomic wastes are placed, and in the probable contamination which can flow therefrom. I think it is most important that this matter be drawn to the attention of the country. Like the Senator from Texas, I am indeed concerned about having the reports before, rather than after, some of the effects take place, effects which might have disastrous results. The Senator from Texas is pointing out something which is very important in the field of radioactive waste.

Mr. YARBOROUGH. I thank the distinguished senior Senator from Kansas for pointing out the other dangers which might exist with respect to radioactive wastes. I have not taken the position that there should be no disposal of radioactive waste materials in the oceans. I did not do so in the statement I made on May 15. I do say that such waste materials should not be dumped so close inshore—150 miles offshore—in waters which are shallow. They should be taken far out and dumped in parts of the ocean where there are no currents. The oceanographers know where those areas are. Such wastes should be dumped in the still, deep parts of the ocean, and in

containers which will retain them for longer periods of time. They should be dumped where the scientific evidence shows that such dumping would be much safer than it would be closer inshore.

The Senate of the State of Texas, alarmed at what is about to happen to the Gulf of Mexico, one of the virgin, virtually untapped fisheries of the world, last week, by resolution, unanimously condemned the action of the Atomic Energy Commission in issuing its order for the dumping of wastes in the Gulf of Mexico.

One of the few things which all scientists agree upon concerning radioactivity is that more needs to be known about it, just as has been pointed out by the distinguished Senator from Kansas [Mr. SCHOEPPPEL]. We need to know more about where to dump the wastes and how to make dumping safe. But all agree, too, that when radioactive waste materials are free in water, they tend to concentrate in very high degree in fish and marine plantlife.

Scientists disagree on how much radioactive materials the human body may safely absorb. A short time ago Lauriston S. Taylor, head of the National Committee on Radiation Protection, said the current levels of permissible radiation exposure levels—the amount of radiation which the human body can safely receive—may be too high if the entire population is involved.

The people closest to the scene—the residents of the gulf coast—feel, and I feel, that the licensing of this dumping of radioactive wastes in the gulf is a dangerous move which could cause harm to animal, marine, and human life not only now but in the future.

The license would be for 2 years, and a great deal of radioactive material can be dumped into the gulf in that period, no matter how small the amount at any one time.

The danger of this proposed dumping is brought sharply into focus by scientists' statements that more and more of our future food supply will come from the sea. Wide use is now being made of the Gulf of Mexico for pleasure, fishing, and recreation purposes. And with more usage coming in the future, the addition of radioactive materials—low-level or otherwise—seems to me to be questionable.

With the Texas State Senate, many nonprofit organizations in Texas interested in fish and wildlife conservation, and other interested persons opposing the pollution of the gulf, I think the Atomic Energy Commission should cease and desist on its June 20th order, until a further investigation has been made.

Mr. President, I call upon the Atomic Energy Commission to withhold granting the radioactive waste Gulf of Mexico-Texas shore dumping license, until a fuller investigation can be made, and until means of checking compliance can be established. In my opinion, if the license is to be granted it should require dumping further out at sea, in much deeper water, in order to protect the marine and plant life of the warm shal-

low waters of the gulf, and human health along its shores.

Mr. President, I should like to point out that as a result of research done at Columbia University and elsewhere on the plant life in the sea, it is the belief of scientists that within 100 years a great portion of the world's food supply will come from the sea—that plants will be grown in the sea in much the same way that today we plant and grow corn on the land. Today, experiments are being conducted by our Government, the Russian Government, and two or three other governments in regard to the planting of crops and the growing of crops in the sea; and it is stated that, within two or three generations, it will be possible to sail out to sea and cut off the equivalent of beef steaks from growing sea plants, much in the way that today a steak is cut from the carcass of a steer, and that the food thus obtained from plants growing in the sea will be high in protein value.

Mr. President, the two greatest areas in the world for use in that connection are the Gulf of Mexico and the Great Barrier Reef off the east coast of Australia. In both of those areas, the waters are warm and shallow.

Therefore, Mr. President, in connection with this situation, the Atomic Energy Commission should move slowly and carefully before it permits such pollution of the Gulf of Mexico. We say that the Atomic Energy Commission is not moving carefully when it issues such misleading statements to cover up what it has done.

ADJOURNMENT

Mr. SCHOEPPPEL. Mr. President, if there is no further business to come before the Senate at this time, I move, in accordance with the previous order, that the Senate now adjourn.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, June 12, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 11, 1959:

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. FOR APPOINTMENT

To be surgeon

George Moore

To be senior assistant surgeon

Donald C. Reifel

To be senior sanitary engineer

Harry P. Kramer

To be senior assistant therapist

Norma J. Ewan

POSTMASTERS

I nominate the following-named persons to be postmasters:

ARKANSAS

Lee R. Orsburn, Okolona, Ark., in place of C. A. Hill, deceased.

CALIFORNIA

Elmer E. Keltz, El Centro, Calif., in place of H. B. Woodbury, retired.
 Thomas J. Dale, Montrose, Calif., in place of L. R. Burkhart, deceased.
 Olliema F. Hayes, Penryn, Calif., in place of A. E. Flint, retired.
 Charles N. Havens, Simi, Calif., in place of C. R. Havens, retired.

COLORADO

Walter H. Wyss, Fort Collins, Colo., in place of W. D. Pinkerton, retired.
 Richard W. Nielsen, Monte Vista, Colo., in place of A. L. Pearsall, resigned.

CONNECTICUT

Evelyn G. Sheridan, Hazardville, Conn., in place of B. W. Henry, resigned.
 Salvatore J. Puglisi, Middletown, Conn., in place of R. J. Wameter, deceased.

DISTRICT OF COLUMBIA

Carlton G. Beall, Washington, D.C., in place of R. M. North, retired.

GEORGIA

Henry B. Hearn, Jr., Eatonton, Ga., in place of R. E. Nelson, retired.

IDAHO

Fay L. Emerson, Idaho City, Idaho, in place of Anne Peck, retired.
 Leland T. Knott, Post Falls, Idaho, in place of K. A. Reynolds, retired.

INDIANA

Charles H. Drew, Washington, Ind., in place of P. G. Smiley, deceased.

IOWA

Robert W. Nible, Norwalk, Iowa, in place of J. E. Mullane, retired.
 Foss M. Gracey, Truro, Iowa, in place of L. E. Mease, retired.

KANSAS

Clara M. Bott, Alexander, Kans., in place of L. I. Mills, removed.
 Fred D. Beard, Haysville, Kans., in place of Goldie Life, retired.
 Dorothy M. Gardner, Plevna, Kans., in place of Blanche Gardner, deceased.

KENTUCKY

Sally M. Conniff, Clermont, Ky., in place of C. B. Riley, retired.
 James G. Dismuke, Salvisa, Ky., in place of N. M. Ramsdell, retired.

LOUISIANA

Edward A. Vercher, Cloutiersville, La., in place of C. W. Charleville, retired.
 Heulette C. Fontenot, Livingston, La., in place of F. E. Bennett, resigned.

MASSACHUSETTS

Marion A. McIntire, Charlton City, Mass., in place of J. T. Wilkinson, retired.

MICHIGAN

Loraine W. Gardner, Hartland, Mich., in place of W. W. Gardner, retired.
 Stanley A. Grendel, Taylor, Mich., office established October 4, 1958.

MINNESOTA

John P. De Greeff, Chandler, Minn., in place of C. C. Moret, retired.
 Frank M. Thompson, Maynard, Minn., in place of W. L. Hubel, retired.
 Marie I. Ecklund, Ormsby, Minn., in place of I. B. Mattson, retired.
 William Vedders, Jr., Pease, Minn., in place of F. R. Greenfield, deceased.

MISSISSIPPI

Merle B. McMinn, Mathiston, Miss., in place of J. I. Smith, retired.
 Elmo G. Allen, Petal, Miss., in place of T. V. Brogan, retired.

MISSOURI

William J. Brick, Laredo, Mo., in place of M. L. Warren, retired.
 Willard R. Mohns, Lee's Summit, Mo., in place of J. F. Stevenson, retired.

Harold E. Williams, Waynesville, Mo., in place of V. V. Long, retired.

MONTANA

Martha H. Hayes, Ashland, Mont., in place of Ruby Dunning, deceased.
 Elson E. Wortman, Gallatin Gateway, Mont., in place of R. M. Atkins, deceased.

NEBRASKA

Harold M. Runyon, Scottsbluff, Nebr., in place of B. M. Diers, deceased.

NEW JERSEY

William T. Minkoff, Blackwood, N.J., in place of J. A. Beetle, resigned.
 Marie J. Holloway, Magnolia, N.J., in place of J. M. Schmidt, retired.
 A. Robert Deter, Woodbridge, N.J., in place of L. E. McElroy, deceased.

NEW YORK

Herman A. Lewin, Aquebogue, N.Y., in place of K. L. Downs, retired.
 Harry H. Beebe, Big Flats, N.Y., in place of Madeline Andrews, resigned.
 Hilda A. Smith, Diamond Point, N.Y., in place of M. M. Woods, deceased.
 Raymond Michael Kiskis, Fort Hunter, N.Y., in place of H. R. Sievert, deceased.
 Earl J. Sardeson, Fredonia, N.Y., in place of A. D. Toomey, deceased.
 John F. Morgan, Gainesville, N.Y., in place of R. G. Sullivan, transferred.
 John C. Mosher, Macedon, N.Y., in place of R. G. Blyth, retired.
 Edwin C. Fellows, Newport, N.Y., in place of E. J. Butler, retired.

NORTH CAROLINA

Walter E. Berry, Aurora, N.C., in place of J. A. Bonner, deceased.
 William V. Langley, Staley, N.C., in place of M. I. Siler, retired.

NORTH DAKOTA

Raymond F. Pfeifer, Buffalo, N. Dak., in place of J. U. Pavlik, deceased.
 Wayne R. Bergan, McHenry, N. Dak., in place of E. N. Swanson, transferred.

OHIO

Elizabeth M. Domer, Hartville, Ohio, in place of E. L. Merkle, retired.
 Paul F. Thomas, Millersport, Ohio, in place of H. D. Bowers, retired.
 James F. Austen, Shreve, Ohio, in place of G. V. Wise, retired.

OKLAHOMA

Lowell E. Kelley, Rocky, Okla., in place of W. W. Sanders, resigned.

OREGON

Verda Walker, Culver, Oreg., in place of Wannie Osborn, retired.
 Lloyd L. Ferschweiler, Gervais, Oreg., in place of C. G. Colby, deceased.

PENNSYLVANIA

Walter H. Grier, Sr., Beaver Brook, Pa., in place of J. D. McNells, retired.
 Samuel R. Brennehan, Bolling Springs, Pa., in place of B. C. Peffer, retired.
 Walter F. Rhine, Canonsburg, Pa., in place of S. J. Bondi, removed.
 Lyle T. Streeter, Easton, Pa., in place of H. C. Schultz, retired.
 Jacob G. Appler, Gettysburg, Pa., in place of L. E. Oyler, deceased.
 Margaret Jane Knight, Industry, Pa., in place of A. W. Ewing, retired.
 Peter F. Roth, Limerick, Pa., in place of P. T. Kline, retired.
 George E. Palko, Loyalhanna, Pa., in place of T. S. Walter, resigned.
 Charles V. Jones, Marysville, Pa., in place of J. S. Raisner, removed.
 Cloyd B. Hicks, Newton Hamilton, Pa., in place of R. B. Fields, retired.
 Mable E. Puterbaugh, Shawanese, Pa., in place of W. S. Puterbaugh, retired.
 John M. Holland, Starrucca, Pa., in place of H. S. Glover, deceased.
 Robert F. Tredway, Stewartstown, Pa., in place of S. C. Zellers, retired.

Harry S. Anderson, Waynesburg, Pa., in place of E. O. Clayton, retired.
 Carl F. Hynek, Jr., Willow Grove, Pa., in place of H. T. McEvoy, removed.

TENNESSEE

Elmer J. Atkinson, Clarkrange, Tenn., in place of E. M. Peters, retired.
 W. Onnie Cox, Mosheim, Tenn., in place of L. F. Robinette, resigned.

TEXAS

Lewis R. Marvin, Duncanville, Tex., in place of Ethel Barker, retired.
 Samuel J. West, Farmersville, Tex., in place of A. E. Petty, deceased.
 Georgie L. Henderson, Hart, Tex., in place of Herbert Williams, resigned.
 Virginia Blair Taylor, Ponder, Tex., in place of J. L. Riggs, resigned.

WASHINGTON

Elizabeth A. Kautz, Joyce, Wash., in place of L. A. Wallace, resigned.

WEST VIRGINIA

Ernest M. Townsend, Madison, W. Va., in place of A. T. Miller, retired.

WISCONSIN

James R. Schroeder, Combined Locks, Wis., in place of Emma Heesakker, retired.
 Harley L. Prell, New Richmond, Wis., in place of L. N. Hughes, retired.

WYOMING

Lance R. Holbrook, Cheyenne, Wyo., in place of A. M. Ries, deceased.
 M. Everett Knapp, Gillette, Wyo., in place of E. A. Littleton, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 11, 1959:

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following nominations for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

TO BE LIEUTENANT (JUNIOR GRADE)

Philip L. Rotondo.

TO BE ENSIGNS

John D. Bossler	Billy M. Keltner
Ernest E. Brown	James G. LaBastie
Anthony J. De Luzio	James S. Lawson
David F. S. Galloway	William C. Linn, Jr.
III	John T. Maldari
Thomas Ganard	Clifford W. Randall
James S. Gragg	Thomas R. Rutlla
Thomas F. Humphrey	Melvin J. Umbach

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 11, 1959

The House met at 12 o'clock noon.

Rev. Jerry W. Trexler, D.D., the Congregational Church of San Mateo, Calif., offered the following prayer:

In Thy providence, O Lord, Thou hast brought forth this Nation, nurtured its people in their growth, and guided us into our present place in the destiny of mankind. Age after age have the living sought Thee, and found that of Thy goodness there is no end.

With thankfulness for days gone by, with expectancy for the days ahead, and with constant awareness that we are Thy children, we ask Thy guidance and blessing upon this House, that the decisions made here might be as born of, and for Thy purpose for the betterment of mankind in all of time. May the words of our mouths and the mediations of our

hearts, be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

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

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4245) entitled "An act relating to the taxation of the income of life insurance companies."

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1960

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KIRWAN, NORRELL, CANNON, JENSEN, and TABER.

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight Friday to file a conference report on the bill H.R. 5915.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON VETERANS' AFFAIRS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may have until midnight tonight to file a report.

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

There was no objection.

REVIEW IN HONOR OF ARMY VETERANS IN CONGRESS—"THE CONGRESSIONAL HONORS MARCH"

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 have been requested to make the following announcement which I do with

pleasure. On Sunday, June 14, at 4 o'clock p.m. at Fort Meyer, Va., the U.S. Army is dedicating at a regimental review the "Congressional Honors March," a musical selection written especially for the Congress of the United States. The occasion is a review in honor of Army veterans in the Congress. The Secretary of the Army, Hon. Wilber M. Brucker, cordially invites every Member of the Congress to attend. Members of the United States Army are distributing to each Member of the Congress a copy of the "Congressional Honors March." I sincerely hope all Members will attend. In any event, Mr. Speaker, I urge as many Members as their schedules permit to attend this review on Sunday, thus indicating our appreciation for this signal honor.

MODERN WEAPONS FOR GREECE— MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read, and together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

In December 1957 the heads of government of the nations members of the North Atlantic Treaty Organization reached agreement in principle on the desirability of achieving the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques. In enunciating this agreement in principle the heads of government made it clear that this decision was the result of the fact that the Soviet leaders, while preventing a general disarmament agreement, had left no doubt that the most modern and destructive weapons of all kinds were being introduced into the Soviet armed forces. The introduction of modern weapons into NATO forces should be no cause for concern on the part of other countries, since NATO is purely a defensive alliance.

It is our conviction and the conviction of our NATO allies that the introduction into NATO defenses of the most modern weapons available is essential in maintaining the strength necessary to the alliance. Any alliance depends in the last analysis upon the sense of shared mutual interests among its members, and by sharing with our allies certain training information we are demonstrating concretely our sense of partnership in NATO's defensive planning. Failure on our part to contribute to the improvement of the state of operational readiness of the forces of other members of NATO will only encourage the Soviet Union to believe that it can eventually succeed in its goal of destroying NATO's effectiveness.

To facilitate the necessary cooperation on our part legislation amending the Atomic Energy Act of 1954 was enacted during the last session of the Congress. Pursuant to that legislation agreements for cooperation were recently concluded

with three of our NATO partners and submitted to the Congress on May 26. A similar agreement was also recently concluded with our NATO ally, the Kingdom of Greece. All of these agreements are designed to implement in important respects the agreed NATO program. This agreement with the Kingdom of Greece will enable the United States to cooperate effectively in mutual defense planning with Greece and in the training of Greek NATO forces in order that, if an attack on NATO should occur, under the direction of the Supreme Allied Commander for Europe Greek forces could effectively use nuclear weapons in their defense.

These agreements previously submitted and this Greek agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of an agreement with the Kingdom of Greece. I am also transmitting a copy of the Acting Secretary of State's letter accompanying authoritative copies of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 11, 1959.

(Enclosures: (1) Agreement with the Kingdom of Greece; (2) copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission to the President; and (3) copy of the President's memorandum recording his approval.)

CALL OF THE HOUSE

Mr. JONES of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

By unanimous consent a call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 77]

Ashley	Gathings	Pillion
Barr	Gialmo	Powell
Barry	Gubser	Preston
Bolling	Healey	Reece, Tenn.
Buckley	Hollifield	Scott
Canfield	Johnson, Md.	Smith, Va.
Casey	Kasem	Spence
Celler	Kearns	Tollefson
Coffin	Kilburn	Whitener
Davis, Tenn.	Mailliard	Whitten
Dixon	Meador	Withrow
Downing	Miller	Wolf
Garmatz	George P.	

The SPEAKER. On this rollcall 395 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Interstate and Foreign Commerce may have permission to sit during general debate this afternoon.

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

There was no objection.

COMMITTEE ON EDUCATION AND LABOR—PERMISSION TO SIT DURING GENERAL DEBATE

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate this afternoon.

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

There was no objection.

WHEAT PROGRAM FOR 1960-61

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7246) to amend the Agricultural Act of 1939, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of H.R. 7246, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I take this time to urge the membership of the House to remain on the floor at least for the next few minutes to the end that you may have an opportunity to hear an intelligent discussion of this great problem. We are now dealing with American agriculture's problem No. 1. We now have invested in wheat, as I said yesterday, more than \$3 billion—wheat that we cannot sell and that we cannot give away. As we know, unless something is done, our problem will be aggravated.

The President of the United States on six or seven occasions has urged the Congress to do something, and our subcommittee on wheat under the gentleman from Oklahoma [Mr. ALBERT] has labored for 6 long months, and we are bringing this bill to the floor and presenting it to you, not as perfect legislation by any means—it is highly controversial. Only by listening to the debate will you be able to vote with any degree of intelligence. The gentleman from Oklahoma [Mr. ALBERT] will present the

bill. Our colleague the gentleman from Oklahoma [Mr. BELCHER] has a proposition which he will submit to the Committee in due time. I think it would be well for all Members to hear the discussion. I have no preconceived ideas about the legislation, but I do know it deals with a problem of paramount importance to the people of America and, of course, to all of us here on the floor of the House. I hope you will listen to the gentleman from Oklahoma [Mr. ALBERT].

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to concur in what Chairman COOLEY has said about the gravity of the situation as it pertains to the wheat surplus. I do hope the membership will remain on the floor to listen to two experts in this field. I think if you will listen to the gentleman from Oklahoma [Mr. ALBERT], the chairman of the Subcommittee on Wheat of the Committee on Agriculture and the gentleman from Oklahoma [Mr. BELCHER], the ranking Republican on the subcommittee on wheat, you will get a good picture of the many problems involved.

Mr. COOLEY. Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. ALBERT] 10 minutes.

Mr. ALBERT. Mr. Chairman, the Committee on Agriculture submits for your consideration a wheat adjustment bill which, though certainly not perfect and not altogether acceptable to any organization or group which has appeared before our committee, represents a genuine attempt to meet a problem which the President of the United States has repeatedly been saying should be met ever since the 86th Congress convened.

There is no easy or fully acceptable way to deal with the problem.

All members of our committee know this.

The distinguished gentleman from Iowa [Mr. HOEVEN], ranking minority member of the committee, knows this.

He and I have discussed this matter many times.

All members of the Subcommittee on Wheat know that this is no easy problem. They have all been working on this problem for months.

All of us have tried, I think, to reach a solution to this problem that would be free of partisan politics.

With staggering surpluses on hand and with a substantial crop in prospect for the present year there is no soft or gentle way to attack this problem—no way which will be pleasing to everybody.

But the difficulty of the task is not the criterion.

We have a problem on our hands which is directly and fundamentally the responsibility of the Congress of the United States, and we must act in some degree of unison, in some spirit of compromise, in an effort to make some contribution to the solution of the problem.

Time is running out, and we must act now.

The Department of Agriculture estimates that total wheat supplies for the 1958-59 marketing year are currently at 2.353 billion bushels which is about 12

percent above the previous peak reached 2 years ago.

This is enough wheat to supply all of our domestic requirements and exports for more than 2 years.

If we did not harvest one acre of wheat this year we would still have as much as 300 million bushels more than we need from current supplies to carry us through until the 1960 crop was harvested.

The truth of the matter is that we have built up surpluses of wheat in the hands of the Commodity Credit Corporation which the Department of Agriculture estimates will soon represent a Government investment of \$3.5 billion dollars.

The storage, interest, and transportation costs of handling the wheat program now total more than \$1 million per day.

It is beginning to look as though this surplus will increase from 100 million to 400 million bushels per year, year in and year out as long as the present program remains in effect.

New warehouses are going up all the time.

A new group, the warehouse lobby, is coming into existence to reap the harvest of the wheat program now in effect.

Mr. Chairman, we are producing 100 million to 400 million more bushels of wheat than we can sell or give away at home or abroad.

The Department of Agriculture has come up with no suggestion as to how we can get rid of the extra wheat which we are now producing except to feed it to livestock thereby increasing the problems of the feed grain-livestock producers.

We are channeling wheat into school lunch programs at home and abroad.

We are selling it at subsidies averaging 55 cents per bushel on foreign markets, and this includes all sales for dollars and sales under Public Law 480, in addition to foreign giveaways.

The subcommittee on wheat has been dealing with this problem since January.

We have held hearing after hearing.

We have heard from every farm organization and wheat organization and every Member of Congress and individual who wanted to be heard.

We have heard from representatives of every branch of the Department of Agriculture that has anything to do with wheat.

We have found no solution to this problem that would be satisfactory to everyone.

The farm organizations and wheat growers organizations are in almost complete disagreement as to how the problem should be approached.

Our subcommittee reported a bill which was changed in many particulars by the full committee.

Neither of these bills was perfect, but both the subcommittee and the full committee have kept in mind at all times two major objectives: first, that we must stop piling up wheat on top of wheat for which we have no earthly use, at the expense of the taxpayer and certainly against the long-time interests of the wheat producers of the country; and,

second, that we should do this in a manner which will not destroy the economy of either the wheat farmers or the feed grain-livestock producers of our country.

These are the objectives of this bill. These objectives this bill will meet.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. Mr. COOLEY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Our committee has considered every proposition that has come before it, but we have found no way to get production of wheat below the disappearance of wheat without reducing the acreage planted to wheat. We have not only recommended a 25-percent cut in acreage allotments but we have tightened up loopholes which have accounted for a part of the overproduction in the past. In making these cuts we have also undertaken to do what producers of no other commodity have been required to do, and that is to invoke cross compliance so far as price supported crops are concerned. We have tried to avoid opening up one loophole while plugging another. We have tried to say to the wheat farmer that while he cuts his production in wheat he cannot turn around and put the acreage into some other supported crop already in oversupply. We have also undertaken by a payment-in-kind equal to one-third of the production on the land taken out of production, to encourage farmers not to plant the acreage in any other crop for harvest or to graze it. To offset the terrific loss in income due to a 25-percent cut in allotments, we have raised the level of price supports from 75 to 90 percent of parity. This is the only provision of this bill to which the Department of Agriculture really makes substantial objection.

The Department has recommended, whether we go the control route or whether we go the so-called free route, that we cut the support level or change it to a percentage of the market price during a recent period of years. A 20 to 25 percent cut in allotments is essential to get production below current disappearance, and the farmers cannot stand such a reduction in their acreage with a price cut in prospect at the same time. It may be that in the long pull stable price supports and acreage allotments are not the answer to the wheat problem, but they are essential if we are going to cut production to an extent that will enable us really to begin to get rid of these surpluses and not bankrupt the wheat farmers of this country in doing it.

In order to plug loopholes which have aggravated the overproduction problem in wheat, your committee has recommended penalties which, in our opinion, will really stop overplanting. One of the big loopholes in existing law has been the ease with which noncompliers could take advantage of the program. The law now provides that penalties shall be at 45 percent of parity and that they shall be based upon normal yields. In recent years actual yields have been running about double normal yields. The result has been that many large farmers have been out of compliance continually, and in the last 4 years such noncomplying producers have added more than 90 mil-

lion bushels to the surplus. The committee has increased the penalty rate from 45 to 65 percent and has based penalties upon actual yields instead of upon normal yields. These increased penalties will stop the practice of overplanting allotments. Another loophole in the law which has been pointed out by the Department of Agriculture has been the so-called 15-acre exemption. The big difficulty here has not been the size of the exemption but the increase in the number of farmers taking advantage of the exemption year after year. Figures given our subcommittee by the Department of Agriculture show that 15-acre farms have been increasing at an average rate of about 100,000 farms per year. According to Department estimates, this loophole has added 475 million bushels to the carryover supplies in the last 4 years. If the 15-acre exemption in its present form should remain in effect under the bill now under consideration, with commercial wheat producers being required to reduce their acreage by 25 percent and with price supports being increased, there would undoubtedly be at least 250,000 new 15-acre farms next year.

The 15-acre exemption has presented a difficult problem. The Department of Agriculture and the President of the United States have recommended that it be eliminated. Many Members feel we should abolish it. Others have insisted that it must not be disturbed. Your committee has brought forth a reasonable compromise.

It has cut the 15-acre exemption to 12 acres or to the highest planting during the years 1957, 1958 or 1959, whichever is lower. We do not think it is fair to come in at this late date and say that you cannot have a 15-acre exemption. I am going to say to those of you who are going to support the proposition offered by my friend, the gentleman from Oklahoma [Mr. BELCHER] who comes from an area where for the most part producers are relatively large, that if you adopt his amendment, you write off the wheat areas of this country east of the Mississippi River. If you adopt his proposition, you will practically write off all Soft Red Winter wheat areas.

We feel that this compromise is fair in view of the fact that commercial wheat producers have already cut their production from nearly 84 million to less than 55 million acres and are now being asked to cut nearly 14 million acres more. We feel, on the other hand, that it would be unfair at this late date entirely to abolish the 15-acre exemption, because such action would upset the rotation practices of many farmers and would just about take some wheat areas and some types of wheat completely out of production.

While reducing the 15-acre exemption this legislation contains an offsetting provision in that it has entirely removed the 30-acre limitation on the production of wheat to be consumed on the farm. There has been long an increasing demand on the part of many farmers and many Members of Congress for the removal of restrictions against growing wheat for feed on the farm on which it is produced. Enactment of this legislation will remove such restriction and will give

your farmers the right to grow all the wheat they want to grow for feed or food on their own farms without penalty of any kind.

Your committee has recommended that this bill remain in effect for a period of 2 years to meet an emergency situation with the hope that permanent legislation which will deal effectively with the problem in the long run may be worked out during the life of this act.

This bill will cut the production of wheat, and there is not any question about that, and it will cut it below present consumption. The increased penalties for overplanting and the reduction in the 15-acre exemption will cut the production of wheat at least 5 percent a year. In my judgment, with the penalty provisions that have been placed in this bill and with the adjustment of the 15-acre exemption, along with a 25 percent cut which all commercial wheat farmers must take, we have a right to expect a greater reduction in production than the most optimistic estimates that have been made up to this time.

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

Mr. ALBERT. I am delighted to yield to my chairman.

Mr. COOLEY. Will the gentleman explain his expression "the highest planted"?

Mr. ALBERT. The highest planted acreage means that if a farmer has planted on his land any wheat during the last 3 years—that is, 1957, 1958, and 1959—but the amount planted during any one of those years is less than 12 acres, he will get the highest planted during any one of those years.

This bill could well result in a full 25-percent cut in wheat production or even more. Some spokesmen for the Department of Agriculture have been putting out propaganda that these cuts would be offset by increased incentives due to increased price supports. This argument is a myth. Our subcommittee had before us the top scientific and technical experts from the Department. They made no substantial claims of this kind. On page 10 of the hearings, Dr. Louis P. Reitz, of the Agricultural Research Service, Crop Research Division, states:

There has been, during the last several years, a considerable increase in use of fertilizer on wheat. This has, according to some experts, about reached a saturation point for many of the major areas. One of the limitations in further use of fertilizer is the inability of present varieties to respond favorably to higher rates of fertilization.

While there may be prospects in the future for varieties which will better respond to fertilization, I have not been able to find any responsible authority who has the remotest idea that such varieties will be developed with seed available to farmers, within the 2-year life of this bill. The truth of the matter is that under 75-percent supports farmers have used fertilization to the limit and they will continue to do so.

They will grow every bushel of wheat they can grow under the present program. They may take their poorer than average wheatlands out of production as allotments are cut still further, but again they would do this whether the support

levels were 75 percent of the previous 3-year market average or 90 percent of parity as we recommend.

They will grow much less wheat if they are required to reduce their plantings by 25 percent and we will begin to draw down our surplus stocks. Mark this, this bill not only represents a 25-percent cut in all allotments of wheat but it stops overproduction on acreage beyond allotments, and it stops this eternal adding at the rate of 100,000 farms per year of 15-acre farms which have further aggravated the problem. In my opinion, this bill will cut wheat production a full 25 percent and then some. This bill will not only cut acreage—it will reduce Government costs.

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

Mr. ALBERT. I yield to my chairman.

Mr. COOLEY. I just wonder if the gentleman will comment on the eligibility for voting. Some question was brought up yesterday to the effect that certain farmers will not be permitted to vote in the current year but only vote 2 years hence. Does the gentleman intend to offer an amendment to that section? I would like him to discuss it.

Mr. ALBERT. I do. That happened because of the parliamentary way by which this bill came to the floor. Certainly anybody who is subject to marketing quotas ought to be eligible to vote. There is not any argument on that.

Mr. COOLEY. The gentleman is going to propose such an amendment?

Mr. ALBERT. I shall propose an amendment, if somebody else does not offer one.

We have asked Mr. Walter Wilcox, of the Library of Congress, to give us some estimates of savings in Government costs for the wheat price-support program under H.R. 7246, compared with continuation of existing legislation.

Under leave to extend my remarks, the statement of Dr. Wilcox to the chairman of our committee is as follows:

In response to your request, the following are my estimates of savings in Government costs for the wheat price-support program under H.R. 7246, as compared with a continuation of existing legislation:

	Million bushels
Estimated annual production under the present program.....	1,200
Domestic utilization plus exports.....	1,050
Annual increase in CCC stocks.....	150
Estimated annual production under H.R. 7246, with 25 percent reduction in allotments, a reduction in the 15-acre limitation, and an increase in penalties for overplanting (20 percent reduction in production).....	960
Domestic utilization plus exports.....	1,050
Annual reduction in CCC stocks.....	90
Savings to Government under H.R. 7246.....	
150,000,000 bushels taken over by CCC at \$1.75 per bushel.....	\$275.5
Storage and interest on 240,000,000 bushels, 150,000,000 reduction in annual takeover plus, 90,000,000 reduction in stocks at 30 cents per bushel.....	72
Total annual gross savings.....	347.5

Export subsidies are now paid wheat exporters in the form of wheat taken out of Commodity Credit Corporation stocks. Because of the increased subsidies required under H.R. 7246, an estimated additional 45 million bushels will be withdrawn from CCC stocks to pay the exporters.

Since withdrawals for these two purposes total 125 million bushels or 35 million more than the 90 million bushel difference between estimated production under H.R. 7246 and utilization, the Commodity Credit Corporation will have returned to it approximately 35 million bushels as a result of these payments in kind at \$2.10 per bushel (the estimated support level under H.R. 7246). This will require a Government outlay of \$73.5 million which should be deducted from the annual gross savings:

	Million
Annual gross savings.....	\$337.5
Less value of wheat returned to CCC stocks because of payments in kind in excess of net reductions in CCC stocks.....	73.5

Estimated annual savings in Government outlays or costs..... 264.0

The minority report undertakes to show that this program will cost more than the present program. On page 28 of the report it is stated that the Department estimates that a savings due to 25 percent reduction in allotments will amount to \$270 million but that an additional \$200 million for increased export subsidies and \$180 million to cover the cost of payments in kind, will cause an increase in the cost of \$110 million per year over the present program.

This simply is not true. In the first place, the minority report estimates that a reduction in wheat output probably would be less than 15 percent. It entirely omits consideration of the increased penalties for overplanting and the reduction in the 15 acre exemption which alone would account for one-third this amount. In addition it makes unfounded assumptions that great increases will result from increased fertilization and new techniques. It fails altogether to take into account the decreases resulting from adjusting the 15 acre exemption and stopping expansion of the 15 acre farms and in plugging up the loopholes with respect to larger producers. I doubt that any unbiased wheat experts can be found who will support the position that this bill would only reduce wheat production 15 percent as compared with existing legislation. The estimates by Dr. Walter Wilcox, of the Library of Congress, are impartial estimates. They are conservative estimates based upon an assumption that this bill will cut production only 20 percent. This is far too conservative in the light of the facts as they exist; but more than this, if everything the minority report says about this bill is true and if everything the Department of Agriculture says is true, and admitting as we must that export subsidies will be increased, there is no question but what this bill will reduce Government costs.

Dr. Wilcox is a neutral authority. He is an expert in this field. He has estimated the savings will be \$264 million a year. Somebody said we should take the Department's estimates. The only trouble with taking the Department's esti-

mates is that the Department is playing politics with this thing. I understand the Secretary of Agriculture has been over here, but has not consulted with the chairman of the Subcommittee on Wheat. He has been consulting with Republican Members. Now I am not accusing my friends on the Republican side or the Secretary of doing anything wrong, but I understand they have been huddling on this matter. I think the Committee has tried to handle this problem as it should be handled—in a nonpartisan way.

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

Mr. ALBERT. I yield.

Mr. HOEVEN. The gentleman from Oklahoma is certainly not contending that the Department is putting out false figures relating to the costs.

Mr. ALBERT. Well, I am just contending that figures can be juggled. I would like to say to the gentleman, we did not get any figures of the kind that we are hearing about from the Department of Agriculture when we had Department representatives before our committee. We asked them to tell the whole truth and gave them all the time they needed to tell the whole truth. Does the gentleman deny that the Secretary and the Assistant Secretary have been consulting with Republican Members and not with Democratic Members during the consideration of this matter?

Mr. HOEVEN. Well, I would not know about that, whether they have been consulting with Democratic Members or not, but I will say, frankly, I have consulted with him and with members of the Department with reference to the legislation in an effort to work out something that would be acceptable.

Mr. ALBERT. I have told the Secretary of Agriculture several times that I wanted to work out this problem. The gentleman from Iowa knows full well how much I respect him and how much I admire him. The gentleman knows that when he and I were trying to work out a compromise the President was issuing press releases giving the Congress fits for not getting out a wheat bill. I ask the gentleman—is that not correct?

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. ALBERT. I yield.

Mr. HOEVEN. Was the Secretary of Agriculture invited to testify on the bill which was reported out of the committee?

Mr. ALBERT. No, because the testimony was all in at that time.

Mr. HOEVEN. Why was he not invited?

Mr. ALBERT. Was he invited to testify on the substitute bill?

Mr. HOEVEN. Well, I am asking the chairman of the wheat subcommittee whether or not the department was invited to testify.

Mr. ALBERT. I might say when we reported out the original bill, I said to every Member, Democratic and Republican, on the subcommittee, "This is the best I can do but I am willing to take any Republican's bill or anybody's bill, if you have anything else to offer." And there was nothing forthcoming when we

concluded our work in the subcommittee. But that has nothing to do with the merits of the case because I am just trying to point out the facts with respect to the argument that we should take only the figures of the Department of Agriculture.

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

Mr. ALBERT. I yield.

Mr. COOLEY. Is it not a fact that you had before your subcommittee officials of the United States Department of Agriculture for a solid week and the Secretary of Agriculture was accorded the privilege of coming before the committee?

Mr. ALBERT. The gentleman is correct and the Secretary did appear before the full committee. There is no argument about that.

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

Mr. ALBERT. I yield.

Mr. KITCHIN. The gentleman from Oklahoma, the chairman of the Subcommittee on Wheat, has brought up a point which I think emphasizes the confusion of Members of both sides of the aisle and those of us who do not know much about wheat, and I consider myself as being in that category. He has brought out the point that there is a difference of some three-quarter billion dollars in the estimates made by the gentleman from Iowa and the statement that has just been made by the gentleman from Oklahoma. The gentleman from Iowa said yesterday, if he is correctly quoted in the Record, that this would cost an additional \$140 million to the taxpayers. The statement has been made here by the gentleman from Kansas [Mr. BREEDING] yesterday and by the gentleman now occupying the well, the gentleman from Oklahoma [Mr. ALBERT], to the effect that this would be a saving of \$528 million over a 2-year period to the taxpayers. Now this difference of some three-quarter billion dollars, I think, should be clarified and someone should be able to furnish a reasonably accurate statement for the benefit of the House. I think there should be some justification of these figures.

Mr. ALBERT. If I have the time, I will try to justify the figures. Now here is the situation. The minority report, and that is the same language that the gentleman refers to, estimates the reduction in wheat output probably would be less than 15 percent, but it entirely omits consideration of increased penalties for overplanting or the reduction of the 15 acre exemption, which alone would account for one-third of this amount. In addition, it makes the assumption that great increases will result from increased fertilization and new techniques. Now, will we get a big breakthrough in fertilization? The experts do not say so, and you have to assume that, if we are going to reach the conclusion that they reach. The experts did not say so. But, I say to my friend, the gentleman from North Carolina, that if we do get a big breakthrough in fertilization, it will not make any difference whether wheat is supported at 75 percent or 95 percent, we

will still be paying more than the Government can afford. Once you get another big breakthrough, all price support programs on wheat are finished. There is no question about that.

Here is the important point, the point they overlook, I personally think this bill will cut production 25 percent. This is not just a layman's opinion; I have talked to wheat men all over the country. But here is the point, even the minority report, even the Department admits that this 25 percent cut, this tightening up, is going to get disappearance below production and that is the important thing. If the farmers offered to give their wheat to the Government, the Government could not afford to take it in view of carrying charges.

The thing that is running up the cost of the program is not the initial investment, but the mounting costs of surpluses which have already gone and which are continuing to go into the warehouses of the Commodity Credit Corporation.

This bill will stop the accumulation of surpluses and, in stopping them, will stop the continuing year after year cost to the Government on the same wheat over and over again.

This bill will get wheat out of Government warehouses and in the end will be of benefit to both the farmer and the taxpayer.

The minority assertion that this bill will result in \$200 million increased export subsidy costs is simply fantastic.

Export subsidies on wheat are now paid in kind.

It will take about 45 million additional bushels of wheat to pay the increased export subsidies under this bill.

If this wheat were valued at market price the increased export subsidy cost would be less than \$90 million.

But this payment in kind using surplus wheat for which there is no market and on which storage and handling charges exceed 20 cents a bushel a year represents no additional Government outlay whatsoever.

The same logic applies to the statement in the minority report that payments in kind to producers for not harvesting a crop on their diverted wheatlands would increase Government costs \$180 million a year.

These payments do not increase Government outlays since the wheat is already on hand. The minority has simply been misinformed by the administration which hopes to discredit all proposals except its own. This bill will reduce wheat production below current disappearance. It will reduce Government costs substantially. It will also protect wheatgrowers' incomes and the interest of feed grain-livestock producers.

For these reasons we believe this bill merits broad support.

Now, there has been a lot of talk recently about vetoes. I do not know whether anybody here today has an advance message from the White House whether this bill will be vetoed or not. I know that so far as I am concerned the President of the United States has his responsibilities. I have mine. I

know also that if the President signs this bill the responsibility for failure to decrease mounting wheat surpluses in this country will not be his alone. I know further that if Congress enacts and the President signs this bill, the responsibility for the failure of the law, if it does fail, will rest on the Congress of the United States, and I will be willing to assume that responsibility.

I know also, and the President of the United States knows, that if he vetoes this bill the responsibility will be his. I know further that if the President of the United States vetoes this bill he will veto a lot of legislative reforms, so far as the wheat law is concerned, reforms that he himself has requested.

In his message to the Congress on January 29, the President sent up his recommendations in which he mentioned that two routes were open to the Members of Congress in dealing with the wheat problem: The first he called the relaxation of controls route and which he recommended in the longtime interests of wheat farmers. The second he called the control route and with respect to which he said:

The control aspect of this approach is drastic regimentation which Congress has not been willing to impose. While this approach might have merit for an emergency adjustment period, it would not be in the best longtime interest of wheatgrowers and agriculture generally.

Mark you, that the President has said that the control route might have merit for an emergency adjustment period.

Now, Mr. Chairman, if ever an emergency adjustment period was upon us that emergency adjustment period is upon us now.

The President of the United States said in his message of January 29 that if the emergency concept is to be retained then certain things should be done and here are some of the things he mentioned:

First, the President said we should eliminate the provision allowing any farmer to produce up to 15 acres of wheat. Well, your committee has not seen fit to eliminate the provision but it has plugged a big loophole by not permitting new farms to come in at the rate of 100,000 per year and by reducing the 15-acre exemption to 12 or the highest planted in the last 3 years. It has taken substantial action to give effect to this recommendation of the President.

The President has asked that we increase the penalty rate for overplanting to the point that will stop the practice. This we have done beyond any question of doubt.

The President has told us we should base penalties for overplanting on actual overproduction rather than upon normal yields per acre. This we have done practically as recommended by the President of the United States.

The President of the United States has said we should eliminate the 55-million-acre minimum. For the life of this bill, we have cut that minimum by one-quarter.

The only thing that the President of the United States recommended, that was of any substantial importance and that

is not in this bill, was that we base price supports on a percentage of the average market price of the immediately preceding years or, if the present standard is retained, give the Secretary the same discretion he has for most other commodities. Now we are not willing to cut the allotments of the wheat farmers of this country by 25 percent and at the same time reduce support prices to an amount that will be the equivalent of 40 cents per bushel the first year and probably an additional 15 cents or 20 cents the second year. Nor are we willing to turn over to the Secretary of Agriculture the discretion as to what wheat farmers will receive in the way of price supports from our Government.

This is not an arbitrary law. If 34 percent of the wheat farmers of this country do not like the control features of this bill they may turn them down. In that event wheat farmers will be permitted to grow all the wheat they want to grow and to receive for it 50 percent of parity. This will be pretty close to the world price, and does anybody here think that wheat farmers or any other farmers should be permitted to have unlimited production and receive at the same time a guarantee substantially above the world price?

The farmers have a choice. They have a choice that they do not have under the present law, a choice on the one hand of giving themselves a right to unlimited production if they want it and at the same time to get an across-the-board guaranteed minimum price support, or on the other hand, 90 percent supports and controlled production. Under present law the Secretary of Agriculture is obligated to support wheat prices in the event marketing quotas are defeated in referendum only to those growers who comply with their allotments.

This bill is not a handout for agriculture. The wheat farmers certainly in the short run would much prefer to have the present program, to keep present allotments and to receive a guaranteed price of around \$1.80 per bushel. They can do pretty well under this program, but in the long-time interest of the wheat farmers of this country and in the immediate interest of the taxpayers and consumers of this country, and in the name of commonsense, the time has come for Congress to enact some kind of law which will stop this business of paying farmers to grow things for which we have no present or prospective need. It would be much better to subsidize farmers outright—to pay them not to plant—than to pay them to go through the work and motion of planting and producing something, while depleting our soil—something that we cannot eat, sell, or give away at home or abroad.

This bill is an effort, a hard effort, on the part of this committee to deal with the problem responsibly. It is not a bill that is designed to bring popularity to those who sponsor it, but it is a bill designed honestly and after long consideration to do a job that only the Congress can do and to do it now.

Mr. HOEVEN. Mr. Chairman, I yield 15 minutes to the gentleman from Okla-

homa [Mr. BELCHER], ranking minority member of the Subcommittee on Wheat of the Committee on Agriculture.

Mr. BELCHER. Mr. Chairman, this is one of the most unique occasions I have ever experienced since I have been a Member of Congress. I am the ranking minority member of the Wheat Subcommittee, and my good friend the gentleman from Oklahoma [Mr. ALBERT] is chairman of the Wheat Subcommittee. This is one of the very few times that we have ever differed on nearly anything. He is a Methodist and I am a Methodist; a great Methodist university conferred an honorary doctor of laws degree upon both of us at the same time last year because they did not want to show partiality. He and I are bridge partners occasionally in bridge tournaments. He and I are both backers of the University of Oklahoma which we both attended.

I think he is one of the most objective-minded and one of the finest Members that has ever been sent to this Congress from any State.

Mr. ALBERT. If the gentleman will yield, the gentleman knows my personal affection for him, and he knows I never have been able to understand why a man who was such a good Methodist, such a good Oklahoman, could be so wrong in his politics.

Mr. BELCHER. I can readily understand why he would say that, when he comes from a State that last year caused the greatest landslide in the history of the United States and threatened such a prairie fire that to this very moment I do not know how I got through it without being burned. In addition to that, I want to congratulate the majority side of this House for elevating my good friend to a position of leadership. I do not think you could have done better. I appreciate your action and I am grateful for this elevation of a friend of mine.

Mr. Chairman, I will say in connection with the wheat bill that never in the history of this Congress has a man more earnestly and sincerely attempted to come up with a wheat bill than the chairman of this subcommittee. He heard everybody who wanted to be heard, and he heard most of them several times, and then if they had any rebuttal he brought them back and let them testify again. At the end of the hearings he introduced a wheat bill known as the Albert bill. It came before our subcommittee and was passed by the subcommittee. It went to the full committee and was promptly rejected by the full committee.

After the full committee had decided to reject all of the efforts and all of the information that had been collected by the subcommittee, then, and after they had written another bill and that bill had not been introduced by any member of the subcommittee and no member of the subcommittee seemed to want to introduce it, although one or two were requested in open meeting to introduce it, a tobacco farmer from North Carolina finally introduced a bill, and the bill before you is the bill introduced by the chairman of our commit-

tee. He is the man who, through this bill, is seeking to raise the price support on wheat to 90 percent, the same man who every single day of this session of Congress has been putting forth his efforts to reduce the price support on the commodity that he raises from 90 percent, because 90 percent is ruining the market for his farmers. Just yesterday that bill reducing the price supports on tobacco below 90 percent, a commodity that has never been in trouble, a commodity whose program has always worked perfectly, and if you don't believe that I can say I have the authority of one of the best tobacco raisers and one of the greatest agricultural experts of this House, the chairman of the Agriculture Committee himself.

He has made the statement many times that the tobacco program is the one perfect program that has been brought about. Yet he said that 90 percent is ruinous today, and because he does not have anything to do with wheat he brings on the floor of the House a wheat bill putting it in the 90-percent bracket.

Mr. Chairman, I am going to offer a substitute, and I think at this point it would be a good idea to explain the terms of both of these bills. A lot of general statements have been made, but the exact details of the committee bill have never been presented to the House, and I think it might be a good plan to present that bill and present the bill I intend to offer as a substitute.

The committee bill raises the price support from 75 to 90 percent. It cuts wheat allotments by 25 percent. It tightens up the controls on overproduction. It reduces the 15-acre minimum to 12 acres. As I said before, it requires that 25 percent of the wheat allotment shall be laid out during these 2 years.

Now, to pay the farmer for laying out the 25 percent, if he does not use these acres for any other crop, and very few of the farmers of my district can use it for any other crop, he is paid a bonus out of the wheat surplus that is now owned by the U.S. Government of one-third of the average yield on the acres that he lays out. That goes as a bonus for the reduction of 25 percent.

In the discussion of the cost of the program, and in the discussion of the reduction of production, that has not been mentioned up to now. A third of the normal yield that is delivered to the farmer in kind of a U.S. warehouse will in turn be sold by the farmer in the open cash market to break the cash market for the price-support wheat, and in turn will cause him to go out and buy price-supported wheat; and in the process we delivered wheat that has been bought in at the 75 percent level, we put that in competition with the 90-percent wheat, then we take the taxpayers' money and go back and buy that wheat for 90 percent.

Mr. Chairman, as far as my bill is concerned, it leaves price supports exactly the same, exactly where it is today, it leaves wheat acreage allotments exactly where they are. It does eliminate the 15-acre exemption. My bill for the first time in the history of wheat legislation

puts every wheat raiser in the United States on exactly the same basis.

There might be something wrong with not treating big farmers and little farmers alike, I do not know, but you hear a lot of talk about big farmers and little farmers. I am not for big farmers or for little farmers. I have a few big farmers and a lot of little ones in my district, and I have never on the floor of the House or as a Member of Congress taken the part of the big man or the little man. I think big men are Americans and I think little men are Americans. If you are going to give a vote to the wheat raisers, you cannot say, If you raise 14 acres you cannot vote; if you raise 16 acres you can vote. I believe in giving every wheat raiser in America the same voice and vote in the program. I believe in putting them all under the same price level. If you are going to support one you should support the other. I believe that in determining allotments for little fellows they should be determined on the same basis that you determine the allotments for big fellows. If a 6-acre farmer overproduces, he should pay the same penalty as a 16-acre farmer that overproduces. All farmers in America should be treated alike, in my opinion. That is all my bill does. My bill retains a provision in the committee bill that tightens up control so that those fellows who plant excess acres, overproduce and break the market for those fellows who do comply, will pay a 65-percent penalty on the actual bushels they plant in excess.

The gentleman from Oklahoma says, of course, that I represent the big wheat farmers. I will have you know, first, there are 85,000 wheat farmers in Oklahoma. Seventy-three thousand of them have less than an allotment of 100 acres. Here is a letter from one of the big wheat farmers I represent. This gentleman is a war veteran. He was a member of the executive committee of the American Legion, of which I was post commander. That is how we became so well acquainted.

Here is a letter I just received from him a few days ago, but after the Albert bill was reported out of the subcommittee and before it was junked and the new committee bill came out. This is his letter to me:

DEAR PAGE: I am writing you in regard to the new wheat law that the Agriculture Committee thinks is O.K.

PAGE, if you will just think this out I am sure that you will be and should be against it.

Now a 20 percent cut in acreage allotment even with your 10 percent raise in parity will not let us small farmers remain on the farm.

Now if you are for the big farmers getting bigger, then there is no need for me to say more, but here is the situation.

On our home place we have only a 60 acre (59.4) allotment. Now 20 percent of that is 12 acres so that would be a cut to 48 acres. You know about our production record here in Garfield County, and you see we could not make a living on that, and oats, barley, etc., is not a sure enough crop, and oats even with a good crop sell for around 50 cents per bushel, so it's not much of a cash crop so we are limited as you know to wheat.

PAGE, things for the small farmer are getting serious. You must think out a way for us to have enough acreage of wheat or we must go to town which will make more men for the jobs that are available which will lead to more unemployment.

There is an old saying, "If you can't whip 'em, join 'em" so if you Congressmen can't give us a better break we will have to have you find us jobs, so you see the small farmer's situation so please do what you can for us or there won't be any of us left.

Yours sincerely,

PAUL DICKERSON,
Enid, Okla.

Now, this is one of the big wheat farmers, and that is typical of the wheat farmer, I might say, in my district. A lot have bigger allotments, but a lot do not. Why does this war veteran have to be cut to 48 acres? Simply because we have permitted wheat to move out of that area all over the United States, and the 15-acre minimum has made it possible for a fellow who never raised wheat before to take that on as a sideline, as a little extra nest egg in addition to his other farm income. It is just like the man with a permanent job who mows lawns after supper to make a few extra dollars. My wheat farmers depend on wheat for a living, because that is all they can raise. Their allotments are down below the minimum at this time. The elimination of the 15-acre allotment will not work a hardship on anybody. It puts everybody on the same level and certain farmers will not be eliminated from the wheat program. But, my amendment provides, if he is a wheat raiser, he will be under the program, he will have the same number of acres that he always planted. If every one of my farmers was raising as much wheat as they always have raised, there would not be any 15-acre limitation. I have nothing against the 15-acre farmer or farm of any size. I would like to have them all put in the same buggy; all given the same treatment.

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

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

Mr. LATTA. Did I understand the gentleman to say that the wheat farmers in Oklahoma have been cut and that the 15-acre fellows have thereby gained?

Mr. BELCHER. I made the statement that the wheat grown in Oklahoma has been cut by 40 percent on account of wheat allotments and that the 15-acre farmer has not been cut at all. His wheat acreage has been raised up to 15 acres.

Mr. LATTA. Well, the figures I have show that in 1939 the State of Oklahoma had 3,783,954 acres wheat allotment; in 1959 they had 4,874,312, or an actual gain in the State of Oklahoma of 1,090,358, or a net percentage gain of 28.8; while the State of Ohio has been reduced by 48 percent.

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

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BELCHER. Just a moment. I can readily explain that to you. Here you find one Member from Oklahoma

on that side and one on this side. Wheat acreage has been taken out of my district and the fellows over in Mr. ALBERT's district have started planting it.

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

Mr. BELCHER. I yield to the gentleman from Michigan.

Mr. FORD. Under your bill, do you have a provision permitting a farmer to grow wheat on his farm and feed it to poultry, for example?

Mr. BELCHER. That is correct, and the reason I have not more thoroughly discussed that is because it is in either bill. The same provision as far as raising wheat for feed on the farm is concerned is both in H.R. 7246 and also in my bill. You can raise all the wheat you want to on your farm and consume it on the farm under either bill.

Mr. ALBERT. On this matter of the 15-acre exemption, I think the House should thoroughly understand it. The 15-acre exemption has been in the law for many, many years. The gentleman knows that. It has undoubtedly caused some shifts in acreage. It has built up certain crop practices, so that there are 15-acre farmers who depend on this exemption, and this will prevent them from getting it.

I want to say this to my friend, and I think he will agree, that the big difficulty with the 15-acre proposition has not been so much the 15-acre exemption as it was originally given but the fact that every year about 100,000 new 15-acre farms have been coming along. The committee bill will stop that as well as reduce the exemption. The committee bill goes a long way in compromising.

The really big loophole has not been the 15-acre exemption per se but the fact that it has been there and every time you have a cut in the commercial area, 15-acre farms have increased. That is what has been going on year after year. The committee bill will remedy that situation.

Mr. BELCHER. I agree with the gentleman that it has been the continual increase in that practice which has increased the number almost 1 million. And it was testified to by the Department of Agriculture that 600 million bushels of the present surplus has been created as a result of the 15-acre minimum. The removal of the 15-acre minimum is not going to take very much away from any farmer in America. But the removal is going to permit the veteran whose letter I have just read—and those farmers are down to rockbottom in those wheat areas—it is going to permit that wheat area to still be in the wheat business, but it will prevent the fellow who joined the wheat program under the 15-acre exemption to go back and raise the crop that he raised before that.

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

Mr. BELCHER. I yield to the gentleman.

Mr. HORAN. I think the gentleman brought out plainly this imbalance that has been brought about and that needs to be corrected. We are now producing 600 million bushels on land that probably is not fitted for millable wheat. Would the gentleman like to comment

on the high moisture climate where some of this wheat is produced and produced in rather large bushelage?

Mr. BELCHER. I agree with my colleague from Oklahoma that most of the 15 acres have been planted in the past few years and that there has been about a 100,000 increase each year. Every single one of those fellows that has come in under this exemption is one who did not feel that it was profitable to grow wheat until we made that exemption. Ever since the country was opened, they have grown some other crop and they only joined the wheat program when it became more profitable to sell wheat under the umbrella held over their heads by the actual wheat raiser. So I do not think you are going to work so much of a hardship on the 15-acre boy because all of his life he has raised something else anyway, until he had a chance to get in the wheat program. He can go back and plant the same thing that he planted before that.

Mr. Chairman, I want to discuss one part of this bill that is going to interest those people who represent the great consumer areas of this country. As a man who represents one of the great wheat districts of this country, and a great agricultural section of the United States, I have always been deeply grateful for the generosity that has been displayed by those Congressmen who represent strictly taxpayers and consumers. Year after year when these farm bills have come before the House, the great majority leader on this side whose constituents do not get a dime's worth of benefit directly out of a farm program—although I want to assure him that even his constituents do get some indirect benefits, because a prosperous agriculture certainly tends to a prosperous America and if everybody is prosperous, the people in his district are prosperous, too—he has stood on the floor of this House and has backed programs that did not bring any direct benefits to his people. For that I have been extremely grateful as a member of the Committee on Agriculture. But I think that we members of the Committee on Agriculture owe a duty to these people who have voted all these years for our programs, not to embarrass them any more than is possible. When we go into the next campaign and some unscrupulous candidate for Congress raises the issue that, "You voted for 90 percent parity at the very time that there were 1,400 million bushels of wheat"—and 65 million pounds of it stored in my home town—it might be a little hard for you to explain. They might also ask you, How come you voted for \$2.13 a bushel for the wheat that goes into the bread and pastries and cookies that his family eats? I know that members of the Committee on Agriculture can explain that. But I also want to tell you that you might run up against some thickheaded constituent up there who could not understand how you could pay \$2.13 for wheat and have bread cheaper than paying \$1.81.

You might not have all fellows who understand the agricultural problem like the gentleman from Texas or the gentleman from North Carolina who intro-

duced this bill. But, when the campaign is on, and of course I know a lot of you fellows over on that side are in a unique position, a lot more unique than mine, it is only necessary for some of you to follow the party. Well, out in Oklahoma when I represent 600,000 of the hardest headed, clearest thinking, independent Americans, and I cannot go back and say, "The reason I voted for a certain bill against your interest is because I was following the party." That is not a good answer in my district and especially in view of the 70,000 majority that struck me right in the face last year and this prairie fire I just got out of. I am going to have to have a good explanation for those taxpayers. When I go and talk to my farmers and say, "Yes, I voted to up the price of wheat from \$1.81 to \$2.13 to save you money." They are going to say, "How much money would you have saved if you had not raised the price of wheat?" I am not going to have Members on this side of the Committee on Agriculture go around there to help me explain it. Maybe some of those things sound all right in the committee, but I would have to go out to some of these farmers that I have and sit on the wagon tongue all afternoon to explain that. I do not have that kind of time. Are you gentlemen representing the city districts going to have the time to sit down in the kitchen of every single one of your housewives and explain to them that you raised the price of wheat from \$1.81 to \$2.13 so that they could buy bread cheaper and buy flour cheaper and save them money? Are you going to be able to go out in the farm areas and say, "I cut your acreage so low that you cannot make any money no matter what the price is?"

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. BASS of Tennessee. The gentleman seems to have the political situation well in hand. Will the gentleman tell me how I can explain to my Tennessee farmers how I could vote for the Belcher amendment which would eliminate the 15-acre exemption?

Mr. BELCHER. Well, I would go back to those farmers and say, "Listen I think you farmers here in Tennessee that I represent"—

Mr. BASS of Tennessee. I hope the gentleman will not try to make a defeated candidate out of me. Let us talk politics.

Mr. BELCHER. I am giving you your answer to your Tennessee farmers. You should go back to your district and say to your Tennessee farmers, "I thought I represented the finest citizens in America. I did not think I represented a group of citizens who wanted an advantage over any other group in the gentleman's district."

Mr. BASS of Tennessee. I would remind the gentleman that the official reporter is taking this down and I am going to quote him.

Mr. BELCHER. Then the gentleman from Tennessee should say, "For that reason I voted to give you the same privileges that the wheat farmers in Oklahoma have. You have the same

vote and the same price support and the same penalties and the same method of getting an allotment."

Mr. BASS of Tennessee. But, you would take it away.

Mr. BELCHER. If the gentleman will wait just a moment and let me finish. Does the gentleman from Tennessee not think that he is representing a citizenship that is honorable and honest and fair-minded enough to want to be treated just like all other farmers are treated?

Mr. BASS of Tennessee. They are as honorable and honest but they are just as greedy as your constituents and they want all that they can get.

Mr. BELCHER. Well, I am telling you. Maybe this sounds funny, but if the gentleman from Tennessee would listen just 1 minute. If you are talking about being greedy, I have an opportunity here today to get 90 percent of parity for these farmers out there in Oklahoma, if I just wanted to be greedy. I could accept the committee bill and go back to them and say, "Do you know what I did? I upped your price supports." But, I am not going to be that greedy because I know it is not good for them. I know it is not good for America. I know it is not good for the State of Tennessee.

Mr. BASS of Tennessee. It is not good for the State of Oklahoma, the State of Tennessee or for America to have 2½ billion bushels of wheat in surplus, now is it, may I ask the gentleman from Oklahoma?

Mr. BELCHER. That is right. I want to reduce that surplus without wrecking the farm economy or the taxpayers, either, in the same process.

Mr. BASS of Tennessee. How are you going to reduce it unless you have a drought or cut the acreage?

Mr. BELCHER. This elimination of the 15 acre exemption will eliminate enough of it to balance the production without increasing the costs.

Mr. BASS of Tennessee. In other words, you just want to destroy the little farmers and say to the big farmers that they can continue to plant all they want.

Mr. BELCHER. This big 40-acre farmer that I have here, I want that poor devil to live on that 40-acre farm just the same as your farmer that raises 160 acres of corn lives.

Mr. BASS of Tennessee. Well, be they devil or saint, I know of very few wheat producers in your area that produce as little as 40 acres of wheat. I had the privilege of driving through your beautiful home town of Enid a couple of years ago. There I saw a wide expanse of country in wheat production. I thought to myself then, "Well, certainly these people are doing well. They are selling their wheat at high prices and are being supported at a comparatively high level and at the same time they are able to produce and grow a crop on all the land that they can afford." But, we want to have just a little bit of wheat to take up the slack as we have been doing for a hundred years in the State of Tennessee.

Mr. BELCHER. Well, now, does the gentleman want to give all my people in the State of Oklahoma, in my area, the

right to raise 15 acres of cotton and let us take it out of your allotment?

Mr. BASS of Tennessee. If they ever raised cotton in their lives out there, they are raising it today.

Mr. BELCHER. They are raising less cotton in the State of Oklahoma than they ever did.

Mr. BASS of Tennessee. My farmers have been cut just like your farmers have been cut in cotton.

Mr. BELCHER. But not one single acre went to farmers in the State of Oklahoma under any kind of exemption. We have been treated just like you have been treated in the cotton program. You treat every farmer I know just the same under the tobacco program.

Mr. BASS of Tennessee. Four years ago when tobacco was in the same situation as wheat is now, we came on the floor of this House and asked the farmers to take a 25-percent cut at one time and a 10-percent cut the next year. They took it.

I will say to the gentleman that price control leads to greater production unless there is effective crop control, whether the support price is 90, 50, or some other percentage.

Mr. BELCHER. Just one minute. Do not take over 5 minutes of my time.

Now let me get back to controlling production. Let me say to the gentleman from Tennessee and to the gentlemen from these other 15-acre States, you are not controlling any production unless you are willing to control yourselves. If you are willing to control your production it will work.

Mr. BASS of Tennessee. The committee bill would, if it gave my 15-acre men the same as yours gets, and under exemption only the 15-acre farmer gets hurt. I am saying for my people they cannot do it.

Mr. BELCHER. It is just like me saying I will take \$15 from you and I will give you \$3 back, so look what we are doing for you. You take 15 acres away from us and then give 3 acres back and tell us how you are being cut.

Mr. BASS of Tennessee. I am not even saying that to my farmers in Tennessee. I do not see how there can be any new 15-acre farmers. What am I to say to those who expect this year to plant 15 acres next year and be able to sell it on the market?

Mr. HAGEN. You ask the gentleman if he supported what the Congress provided on tobacco the other day.

Mr. BELCHER. There is quite a difference between the two bills.

Mr. BASS of Tennessee. I will say to the gentleman that most of the tobacco producers in my district grow their tobacco on a very small acreage. Were they to increase the acreage to 2 acres they would produce more tobacco than could be sold in the entire world, let alone the United States.

Mr. BELCHER. If you were to give 2 acres to every farmer in Oklahoma, you know what would happen. But I cannot yield further to the gentleman. Why does he not get a little time on his side?

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

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent to yield 3 additional minutes to the gentleman from Oklahoma [Mr. BELCHER].

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BELCHER. Another thing, I just want to say that if you get the opportunity, whether you represent one section of the country or the other you have got to justify the cost to your taxpayers; and, after all, every single wheat farmer is a taxpayer. You will not under my bill have to go to him and justify a price rise from \$1.81 to \$2.13 a bushel. But remember at the same time every increase in the cost of wheat is reflected in the cost of bread. The cost of bread has been going up over the years and is still rising. With wheat at \$2.13 a bushel when somebody next year says the price of bread went up 2 cents a loaf because you got \$2.13 instead of \$1.81 a bushel for your wheat, how are you going to explain that to your taxpayers? I am not asking you to do that. I am not asking you to raise price supports.

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

Mr. BELCHER. I yield.

Mr. O'HARA of Illinois. I am one of those city fellows who need advice. Will the gentleman clarify what he is advising us to do? Are we to vote according to political expediency?

Mr. BELCHER. I can tell you how you can vote according to the welfare of the country and political expediency at the same time.

Mr. O'HARA of Illinois. I am afraid the gentleman did not understand my question. Is the gentleman advising me to vote from political advantage or disadvantage, or to vote according to the welfare of my own people and my own conscience?

Mr. BELCHER. I want to say to every Member of this Congress that during the 9 years I have been here I have not questioned the motives of any man and I do not intend to do so today. I hope that no friend in this House votes for this bill because he is a friend of mine, and if I have any enemies I hope that none vote against it for that reason. I advise the gentleman to select between the two bills, use the best intelligence and judgment that the good Lord gave you and let your conscience be your guide. If it says my amendment is better, then you should vote for it. If it does not, then vote for the committee bill.

Mr. O'HARA of Illinois. I wish to get the gentleman's advice clearly. Remember, I am a city fellow and need guidance in how I should vote. If I vote to help the farmer would I be doing a foolish thing for a man coming from the city? Is that what the gentleman is telling me?

Mr. BELCHER. I cannot understand the gentleman.

Mr. BASS of Tennessee. The gentleman from Oklahoma knows that the price of wheat by the bushel has no more effect on the price of a loaf of bread than the price of cotton has on a silk suit.

Mr. BELCHER. The gentleman might have a thickheaded taxpayer in his dis-

trict that cannot understand how you can pay \$2.13—

Mr. BASS of Tennessee. I do not have any in my district, sir.

Mr. BELCHER. I wish the gentleman on my time would at least listen to my answer.

Mr. BASS of Tennessee. I will.

Mr. BELCHER. I tried to be courteous to every one of you and yielded to all of you. You took about two-thirds of my time.

Mr. BASS of Tennessee. I will listen.

Mr. BELCHER. I may say to the gentleman regardless of what you want to do as far as this bill is concerned, what you do is O.K. with me. I say to every Member of this House: Vote your own conscience, use your own judgment. Whether you vote for me or not is all right with me. I have presented what I sincerely and conscientiously believe, after living in the wheat area for 60 years, to be good for the entire country. I have sought to treat every wheat farmer alike, I have sought to treat all taxpayers alike. I brought in what I think is a fair bill, and I hope you will vote for it. If you do not think it is a good bill, vote for the committee bill.

Mr. BASS of Tennessee. I certainly concur in the gentleman's sincerity.

Mr. COOLEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, the question of high parity supports causing the consumer to pay more in the marketplace cannot be proved by the facts.

Here are the facts: In 1948 the farmers were getting \$2.81 per bushel for their wheat. A pound loaf of bread cost 13.8 cents.

In 1955 the farmers were getting \$2.14 per bushel for their wheat. A pound loaf of bread cost 17.5 cents.

In 1957 the farmers were getting \$2 a bushel for their wheat. A loaf of bread cost 18.8 cents.

Between 1948 and 1957 wheat prices dropped 29 percent to the farmer but the prices to the consumer increased 38 percent.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I requested this time to keep the record straight. I am not going to give you any statistics, because I do not think you can analyze them during this short time. I am not a wheatgrower, I am not a farmer, I have no financial interest other than as a taxpayer in this bill. I was a member of the Wheat Subcommittee and attended practically all the hearings. From that standpoint I can give you some information as to why you should support the committee bill.

The chairman of the subcommittee has told you we could bring out no bill that any two farm organizations would agree on. We have brought out a bill which does three things. It will cut production, it will reduce that great abundance of wheat that we have, and it will cost less than the present program. That is important over what we have.

With reference to the gentleman from Oklahoma [Mr. BELCHER] and his amendment, he says he wants to treat all people alike. On many occasions we do not treat everyone alike. I do not know whether the Member from Oklahoma feels that we should have an income tax based on the same rate for all people. That would be treating us all alike. The present law and the committee wheat bill do not treat everybody alike. They both do give preferences to the small wheatgrower. In other words, it will not hurt him. But there is one thing Mr. BELCHER's amendment would do, which I think is important. It is in that area where the 15 acres operate now that most all of the Soft Red wheat is grown.

I have a telegram here addressed to the chairman of the Wheat Subcommittee, and I think other Members have this, reading:

CHICAGO, ILL., June 11, 1959.

HON. CARL ALBERT,
U.S. House of Representatives, Washington,
D.C.:

With reference to our wire of June 10 we wish to emphasize that we must oppose the Belcher bill as it presently stands or any bill which would eliminate the small farm exemption from quotas. Soft wheat largely comes from small acreages and elimination of this exemption would work irreparable harm to soft wheat production at a time when every bushel is needed.

NATIONAL SOFT WHEAT MILLERS ASSOCIATION GRAIN COMMITTEE.
J. E. SKIDMORE, Chairman.
R. M. HUFFMAN, Secretary.

There are all kinds of wheat. But there is no surplus of the Soft Red wheat which is grown in the areas where the 15-acre farmer produces wheat.

He will not be contributing to any surplus. This reduction of 25 percent will reduce wheat production in the areas where the surplus has built up. That is why this committee bill is needed. The Belcher bill would permit a continuation of the build-up of those types of wheat for which there has been no great demand and which has consequently brought about this great storage problem that we have.

Now, there was a lot said here yesterday and probably there will be more said about this privilege of voting today. The gentleman from Ohio yesterday kept talking about the disenfranchisement of people because the man in the 15-acre bracket did not have a vote. He does not have a vote now. He does not want to vote. When there is a vote on wheat referendums under present law today, approximately 20 percent of all the growers throughout the Nation vote. There is no demand to vote. The farmer who produces wheat under the 15-acre exemption realizes that he does have a participation in the program; that he does get the benefit of the overall program; that he does get the benefit of the support price, and therefore he is not asking to vote on this. I will say this, that anyone who wants to destroy the entire farm program should vote for the Belcher bill, and if you vote for that type of administration, you will soon be rid of all of the farm program we have.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, probably no legislation that will come before this body in this session or any other session will be of more importance to more people in my State than the legislation we are considering here today. I certainly hope that we can lay aside some of the political aspects of this type of legislation. I certainly hope that we can consider this thing dispassionately in an attempt to try to come up with some answers to a problem that I think has to be answered by this Congress.

As one of only two Representatives from a State that produces roughly 10 percent of the total wheat produced in the Nation and as a Representative from a State that has on at least one occasion produced more wheat than any other in the entire Nation, I feel I have a great interest and responsibility in the consideration of this wheat bill, H.R. 7246. As an individual, I am a wheat farmer and cattle rancher. I have spent my entire life as an operating farmer and rancher and have had a great deal of experience living with the ups and downs of agricultural commodity prices. I know what it means to enjoy the prosperity that favorable prices can provide for anyone deriving his living from agriculture. I know what it means to suffer the hardship that inevitably must accompany price adversity. I do not believe the only solution to the farm problem is lowering the price. I do not claim to be anything of an expert on farm problems. I do not claim to know the answer to the basic problem of stabilizing the farmer's income. I do know and I believe most people realize that there is a problem and it is the responsibility of the Congress to take steps to correct the situation. Congress got farmers into this situation by not taking steps it should have.

Right here I believe I should remind you that the so-called farm or agricultural problem is nothing new or something that has just developed recently. For endless generations there has been a recognition that farmers, for some reason, did not enjoy quite the same stability of operation or the same level of income as other segments of our economy. Probably a major part of the concern of society over the welfare of the farmer stems from the fact that other segments of our economy are adversely affected when the farmers' purchasing power and ability to spend is reduced. Probably no other single industry plays as large a part in the welfare of our economy as agriculture. When farmers are hard up, almost everyone suffers to some degree. Some form of agricultural operation is carried on in almost every county in this entire Nation. Perhaps this fact that farmers are so numerous and widespread is the greatest single reason why farm production and the consumptive capacity of the Nation is and always has been continually getting out of balance. There is too great a difference between individual farmers and growing conditions throughout the Nation for the farmer himself to do much about regulating the amount of any commodity produced on a national basis. This is particularly true of wheat grown

in nearly every State. In some instances of a specialty crop grown on a localized basis, farmers have been able to control the amount of a commodity moving to market and thus maintain a fairly stable and satisfactory price. It is most certainly a peculiar twist of fate and a blessing often overlooked these days by the nearly 90 percent of our population who are not farmers that the problem of agricultural prosperity stems from having too much of the basic food and fiber necessities of life rather than too little. This Nation is beyond any question of a doubt the best clothed and best fed of any nation since the dawn of history, and certainly in the world today.

There are many degrees of thinking regarding the end objective of obtaining for farmers a proper balance price-wise between farm income and farm expenses. In the form of legislation, suggestions range from the one extreme of abandoning all Federal price support programs entirely to the opposite extreme of regulating every last item of farm production and the application of a parity price for what the farmer was allowed to produce.

Both approaches, I feel, must be given the benefit of recognizing the sincerity with which the sponsors of the suggested legislation have introduced their ideas.

Those who would abandon the price support approach must be given credit for believing that the American free enterprise system will, if given a chance, bring about a fair return for producing a needed product. We have, as examples to justify this contention, many agricultural products which have had no support program and which are in a more favorable position as to price than most of the commodities which have had programs for many years. In North Dakota, the best examples of the results of these two approaches are cattle and wheat—cattle with no Government program are in a more favorable price position than wheat which has had a program since the early thirties. The basic difference here is that the supply and demand factor has been allowed to function in the instance of cattle—when too much beef was being produced, the price went down and resulted in increased consumption and discouraged production. Cattle producers have severely felt these adjustments from time to time, but the end result has been that no great surpluses have been accumulated and the price quickly recovered.

The story with wheat is somewhat different, of course. During the war years, in fairness to farmers, an incentive was provided by a high support price to justify a farmer's all-out production of a vital strategic material—wheat. When the war ended, however, the price was maintained in fairness to the farmer as a producer of a commodity that had been needed for winning the war. This was only a reasonable consideration of wheat farmers, as compared to other industry, as most industrial operations were given tax writeoffs and numerous other considerations to compensate them for adjusting back to a peacetime economy. For the wheat farmer, however, the adjustment was somewhat difficult. During the war years the transition to farm mechanization made

greater strides than ever before, saddling the farmer with higher fixed costs than he had ever before experienced. The attractive war prices had encouraged thousands of farmers to begin raising wheat who had never raised wheat before, and countless thousands of acres of new land were put into wheat production. The end result was that we had built up a production machine in agriculture somewhat beyond the consumptive capacity of the Nation. As the farmers' future welfare was analyzed by thoughtful people, it was concluded that a very large part of our whole economy was directly or indirectly dependent upon the farmers' prosperity and buying power. Recognizing that if prices were to be maintained at satisfactory levels production would have to be cut back, farmers and people interested in the welfare of farmers began looking for some means of delaying the day of reckoning. The device of continuing the high price support program was hit upon as a mean of stabilizing the farmers' income, with a hope that some market would develop for the excess production. There was always the possibility that foreign markets could be expanded to absorb what we produced beyond our domestic needs.

A vast divergence of opinion has developed among farmers and farm organizations regarding the responsibility of the Federal Government in maintaining farm commodity prices—the complete control and high guaranteed price proponents on one side, and the complete freedom crowd on the other.

The rank and file operating farmer was usually somewhere in between. He was aware that prices of things he had to buy were going up faster than the things he sold. He was also aware that he was competing in a field where labor prices were somewhat fixed by law and where industry could control production to fit the demand. The average farmer, regardless of his inclinations politically or philosophically, recognized that he was at a disadvantage in competing for his just share of the consumer dollar. He had no way to control his production, since the weather is the big factor in influencing production. Due to his great numbers and vast area of operation there was little possibility of effectively controlling the marketing of his products on a national basis. Farmers do not believe that the only solution to this problem is a reduction in prices. Recognizing their imperfections and inequities, but for the simple lack of anything better, a majority of the farmers were inclined to go along with price support programs.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, the legislation before us was drafted in the national interest. The basic question which it asks us to resolve here today is this: In the face of mounting wheat surpluses and rising storage costs, do we want wheat farmers to plant 55 million acres of wheat in 1960 and again in 1961, or 41 million acres?

If the legislation before us is defeated, farmers will again plant 55 million acres to wheat.

If the legislation is approved, farmers will cut back production by 14 million acres to a total of 41 million acres.

This is not the kind of a bill that is easy for wheat producers to accept.

Why then, do we ask them to make such a drastic cut in production?

Because to continue at the present level of production is to flood Government grain bins that are already overflowing.

We have 1½ billion bushels of wheat under storage now and the taxpayers are paying out 18 cents a bushel every year to store it.

The bill before us will cut wheat production by 480 million bushels.

Instead of adding 150 million surplus bushels to Government stocks in 1960 and again in 1961, it will end surplus production and use up 90 million bushels already in storage.

The net result is a saving of \$528 million for the 2-year life of the bill. In voting for this bill you are establishing an economy record that is worth half a billion dollars to the American people.

If you vote against this legislation you will have the responsibility of explaining to your constituents that you wasted half a billion dollars of their money for the purpose of piling up wheat that we do not need and on which we will be paying 18 cents a bushel storage annually for as long as it is held.

Some gentlemen have said that farmers will step up their efforts to grow more wheat by adding fertilizer to their reduced acreage.

This would be true whether we pass the bill or not.

But the expert testimony before our subcommittee established that at least for the time being, farmers have reached the maximum use of fertilizer as an aid to greater production.

It is true, as estimated by the Library of Congress researchers, that the 25 percent reduction in acreage will actually produce only a 20 percent cut in bushel production.

But the point is that this 20 percent reduction gives us 480 million fewer bushels of wheat, and saves the taxpayers \$528 million, during the next 2 years.

Nor does this bill hurt the wheat farmer. By assuring him 90 percent of a fair price and giving him surplus wheat stocks from Government bins equal to one-third of his average production on the 25 percent of his acres taken out of production, we hold farm income from dropping further.

At the proper stage of our consideration of the bill, I intend to offer an amendment limiting wheat price support loans for any one producer to a total of \$35,000.

There are those who argue that assuring farmers 90 percent of a fair price on their wheat will raise the price of bread. This is a myth.

There is only 2 cents worth of wheat in a loaf of bread. Even if the farmers gave their wheat away, it would not change the price of bread 1 cent. The

average wheat price paid to farmers in 1952 was \$2.09 a bushel and a 1 pound loaf of bread sold for 16 cents. Last year the average price for wheat had fallen to \$1.72, and bread was up to 19.3 cents.

Other gentlemen have contended that they are indifferent toward the bill before us because it relates only to wheat. I personally wish that we were now ready to move on a comprehensive new farm program relating to the whole range of farm production—a program which would balance the needs of farmers, consumers, and taxpayers. Such legislation has been introduced by several Members of the Congress including myself and we have been assured by the able gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture will begin hearings on these bills on June 16. Both the 84th and 85th Congresses passed comprehensive farm legislation only to have it killed by Presidential veto. This, however, does not absolve us our continuing legislative responsibility to try again for desperately needed comprehensive legislation designed to meet the mounting crisis in agriculture.

But neither does the need for sweeping farm legislation provide us with an excuse for rejecting the solution now before us relating to the acute emergency in wheat. This is legislation in the national interest and deserves the support of both farm and city.

Since coming to the Congress 2½ years ago, I have consistently voted for legislation that did not directly benefit the farmers of my district because I believed such legislation to be in the national interest.

I say to my city friends in the Congress that if you want those of us from the wheat States to be voting with you in the next Congress, you will support this bill.

I say that not because we would be so shortsighted as to vote against the public welfare out of spite, but because of the blunt fact that if this democratically controlled Congress permits constructive farm legislation to be sabotaged, a good many of us from the rural heartland of the Nation will not be around after 1960 to help you on needed urban legislation.

Let me read you the national platform of the Democratic Party in 1956—a platform drafted under the chairmanship of our great majority leader—a man from a city district who has always had the broad vision and warm heart to know that farm and city are interdependent. This is the platform that the American people had in mind when they entrusted our party with the control of Congress in 1954, 1956, and 1958.

It reads:

The Democratic Party pledges . . . to regain the full 100 percent of parity the farmers received under the Democratic administrations. We will achieve this by means of supports on basic commodities at 90 percent of parity.

I plead with my colleagues on this side of the aisle who control this Congress not to betray that sacred platform pledge.

I plead with you not to desert those of us who have stood with you in support of vital welfare measures.

I plead with you in the interest of economy in Government to reduce these mounting surpluses and Federal storage costs that are wrecking our farm program and penalizing our taxpayers.

I plead with you in the interest of the men and women and boys and girls who till the soil in long hours of sweat and toil.

I ask that you support this legislation in the national interest.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSEN of Minnesota. I think the gentleman has hit on the real difference as to what should be considered between these two proposals. I am trying to determine in my own mind under which proposal we will have the less production. Our big problem is overproduction today and to me it is senseless to continue to mine our soils to produce wheat only for storage and deterioration.

Mr. McGOVERN. May I say to the gentleman from Minnesota that I know he is an informed Member on agricultural issues. It seems that any reasonable person would agree that if we could take 14 million acres of wheat out of production, we are going to have substantially reduced volume of wheat production. The gentleman from Oklahoma [Mr. BELCHER] has a proposal that would doubtless win the support of a certain number of our wheatgrowers, but he still permits 55 million acres of wheat to be planted under the allotment program in 1960 and 1961.

Mr. ANDERSEN of Minnesota. May I ask the gentleman: Are these figures which you are quoting fairly well verified in the hearings?

Mr. McGOVERN. These are figures that were supplied by the Legislative Reference Service of the Library of Congress. They are figures that are contained in the majority report of the committee. I think they are conservative figures. The Library of Congress says that instead of a 25-percent cut in wheat production, we will actually get only a 20-percent reduction under the committee bill. But the point is that with the 20-percent reduction we will get 480 million bushels of wheat out of our present level of wheat production and we will save \$528 million in tax funds in operating the program.

Mr. ANDERSEN of Minnesota. The gentleman has given some very worthwhile information. Can the gentleman answer one further question that has come to my mind since I have been listening to this debate. Under which proposal will the good of the program in the future be most accentuated? In other words, if we accept the proposal of the committee, will we assume that the price support program has every opportunity to continue? Or if we accept the proposal of the gentleman from Oklahoma [Mr. BELCHER] is that the beginning of the end—similar to what we have in the corn program today?

Mr. McGOVERN. I know the gentleman from Oklahoma [Mr. BELCHER] has

offered his proposal in good faith, but my great fear and the fear of my wheatgrowers is that it will result in voting out the entire wheat program. I think that would be disastrous to all concerned.

Mr. ANDERSEN of Minnesota. I thank the gentleman for his courtesy. He comes from a surplus producing area as I do and in the problems affecting agriculture we are very much in accord.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. SMITH of Kansas. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. SMITH of Kansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SMITH of Kansas. Mr. Chairman, the present bill under consideration today is the result of several months of cobbling exercise by the House Committee on Agriculture. Any cobbling or patching-up effort on any project is just a temporary repair and eventually just has to be scrapped. When we patch a tire, we are just putting off the day when a new tire will have to be purchased.

That is the position we are in today. This measure is only for 2 years. Eventually the Congress will have to buy new tires for this wheat program or else just junk the wheat vehicle.

The chant against the so-called farm program has been particularly loud and long in the city press and over the TV and radio. They all have a lot of statistics and figures supplied by the farmer's own U.S. Department of Agriculture as to the increasing costs of our surplus stored stocks of surplus grains. All these comments try to infer that the farmers got themselves into this mess so the only solution is to give them back to the Indians. This is not going to happen, but many would apparently like to see this come about. There is no one else in the economic life of our Nation who has to live by the law of the jungle, and the farmer is not going to be compelled to do so.

We, who have spent some time over the years on this complex farm problem, fully realize that for any program to be made to work must have a sympathetic administrator, which we have not had for the past 5 years. But anyone who is familiar with the legislative progress of Federal programs fully realizes that no program is ever perfect, but it helps if the Administrator is sympathetic with its purpose.

The biggest handicap we have in trying to write a farm program is due to this fact—you just cannot hide excess bushels of wheat, corn, or a bale of cotton—they must be stored. When we pass tax laws, social security benefits, unemployment taxes, and a thousand tax gadgets to get more money in the till they are all cleverly hidden and concealed from general public view. Not so with surplus crops; they are in the public showcase.

Over the past 5 years thousands of editorials have been written and count-

less speeches have been made about the enormous cost of storing our surplus wheat. Every paper from the New York Times to the lowest provincial weekly always starts off by showing how much Uncle Sam is paying for these storage charges.

There is probably no field of general human interest where there is such a diversity of opinion, as to causes, as in the discussion of the so-called surplus farm food problem. The basic facts involved are little understood by the average person. But, as is the case when some spectacular crime is flashed all over our newspaper headlines, everyone seems to know "whodunit" and is certain "so and so" is the one who caused it all. Those with the least experience and who have the fewest facts are the loudest for their own theory in the solution of this surplus. In this so-called tragedy of surplus crops those who know the least about the facts are the most certain that they know just where to find the guilty party—and strangely enough the Hawkshaws and Ellery Queens who claim they have the solution to the farm problem live in the large cities, and most of these city experts would not know the difference between a Holstein and a Plymouth Rock. These experts always come up with about the same answer, which is this, "The guilty party is that grasping, greedy farmer riding around in a Cadillac with both hands in Uncle Sam's pockets."

We are all familiar with doctors and their modern methods of diagnosis. If after a diagnosis the patient fails to respond, to the modern doctor it would indicate a wrong diagnosis, and the doctor instead of just giving aspirin or anacin would attempt to make a new diagnosis. But in this case of wheat we do not have to make another diagnosis, it is simply overproduction. What we must search for is a remedy for our overproduction or the surplus of wheat at present in Government warehouses. The doctor will tell you when he has made the correct diagnosis his basic problem is solved, because modern medicine can work miracles, except when the disease is cancerous. From 10 years of effort it may be that the "wheat surplus disease" is almost cancerous because so far no one has come up with a solution.

But to those who want to know more and who desire to be fair and are willing to listen in regard to farm surpluses, here are some facts not derived from Benson fairy tales or from the Brannan plan.

In 1933, after Roosevelt was elected, Congress, listening to the siren songs of the panacea peddlers came up with a brand new idea that would solve the growing of surplus farm crops. They said it was a new concept, although the Code of Hammurabi told the same story on clay tablets 5,000 years old.

This new panacea was called the Agriculture Adjustment Act of 1933. This act provided that certain agencies were to investigate conditions of overproduction. The drought years of 1935-36 eliminated the surplus just as the droughts eliminated surplus back in Joseph's day in Egypt. Then some good weather, and a little more know-how

again started the legislative wheels to rolling and the Agricultural Adjustment Act of 1938 was enacted by Congress, but this time the legislation read, "This act is to protect the farmer in drought years as well as lean years."

This act of 1938 is still the basic agricultural law. For the past 20 years, through World War II and the Korean police action, the Congress has tampered, tinkered, patched, and cobbled on this 1938 coat of many colors, all in the guise of helping the farmer. It seems to be the certain definite mark of all farm legislation to go on repeating the mistakes of the past. You do not change principles by calling them new names or putting on a gaudy patch to cover up some old well-worn hole in the seat of the garment. There has only been one stated objective in all so-called farm programs and that was to stop overproduction and give the farmer his fair share of the economic wealth of this Nation. The basic cause why these programs have not benefited the farmer in the long run is that the patchers, the tamperers, and the meddlers in patching up this old frazzled 1938 act could not see that their program was off the economic road and headed for the swamps and morass made up of Government bins and warehouses. The political expediency experts could not see that; all they were doing or trying to do was to defy the economic law of supply and demand. These political expediency panacea experts could have just as profitably spent their time in trying to invent a perpetual motion machine. They would have been just as successful with a perpetual motion machine; in fact, it would have been much better because they would have saved billions of dollars to the American taxpayer.

Figures are generally not well received because many times their accuracy is questioned, because it certainly is not an easy task to compile them from so many sources. However, we must assume the Department of Agriculture certainly has access to the proper source for farm products statistics.

The Commodity Credit Corporation says that as of January 1 it owned 60 percent of all the wheat in the United States, 8 percent of the oats, 40 percent of the barley, 37 percent of the rye, 35 percent of the corn, 65 percent of grain sorghum, and 23 percent of the soybeans. The above figures expressed in bushels is 8,108,000,000 and of these bushels the Commodity Credit Corporation owned 3,279,000,000, or 40 percent. It is stated that Commodity Credit Corporation stocks have increased 26 percent over a year ago. The tragedy of all this surplus grain in simple terms means that if we dumped all these bushels on a free market, as many advocate, we would break and bankrupt every farmer, grain farm elevator operator in the United States, and seriously interfere with the whole economic life of the United States.

I am well aware that there have been hidden hands pushing these so-called farm programs down the socialistic road to a blueprint planned welfare State. The speaker is not willing to throw all farm programs out of the window for reasons stated above, but any farm legislation that does not have as its basic ob-

jective a start to get rid of our Government-owned surplus grains in elevators is not a step in the right direction. We have had enough of tinkering and grand experiments. Let us start to realize that this surplus program cannot be solved by more of the same patching, cobbling techniques. The only goals we should have is to gradually get rid of our surplus; then start toward a free market, free prices, and freedom of the American farmer.

But this ideal is hard to obtain, for the simple reason that there have been many patchers, tinkers, and panacea peddlers in other economic fields. The so-called foreign aid program has brought us nothing but competition in the world markets for our excess farm products. It is fairly easy to prove we have lost at least 300 million bushels of export grain by our benevolent giveaway programs. Anyone with any degree of intelligence will have to admit that minimum wage laws are a subsidy. All tariff laws are subsidized as well as perhaps 10 or 12 more industries who have had and still have their hands in Uncle Sam's pocket, to the tune of billions.

Every farmer knows, except one who does not want to work—and there are some who seemingly want to stay in this slough of Government controls—that the ultimate solution to the American farm problem is to beat back to the free market concept. But in the U.S. economy today the farmer is the only one whose income is going down while his costs are going up. Mr. American Farmer just knows that he cannot be the only rugged individualist in our American economy.

Perhaps the most complex of all our surplus food problems is how to get rid of the 1 billion bushels of surplus wheat now on hand. If you are interested in the basic cause of this surplus wheat remember these facts.

Today in America you cannot increase the consumption of wheat by lowering the price, because wheat is essentially a human food. Our dietitians have helped to decrease the amount of bread Americans eat. The consumption of wheat 50 years ago was 6 bushels per capita. Today we eat less than 3 bushels per capita. Potatoes and bread—longtime basic foods—are sliding downward yearly in the annual consumption per capita. If we ate 6 bushels per capita today in America there would be a shortage of wheat for human consumption. Last year—greatest wheat production on record—we only produced about a billion bushels. Today there is a population in the United States of 173 million. Multiply this by 6 and you get 1,038 million bushels that would be needed to feed just the American people, let alone any export wheat.

The farmer buys in a market of administered prices; that is, prices that are determined in a large degree by governmental actions. Certainly the minimum wage laws directly affect the price of what a farmer pays for a tractor. Certainly the policy of guaranteeing remunerative contracts to the producers of missiles, atomic weapons, et cetera, adds to the farmer's taxes. Certainly the railroad retirement system adds to the freight bill on everything that the farmer

buys, as well as everything that he sells, and he pays the freight both ways. The average income of people on farms is today only \$1,027, while the average income of people not living on the farms is \$2,040. In other words the average person on the farm is making just one-half as much as the person not on the farm and one-third of all of the income of people on the farms comes from nonfarm sources.

To deliberately adopt a policy that would still further decrease this pitifully small farm income, while holding non-farm income to its present levels, is so contrary to my feeling of right and wrong that I cannot seriously consider going back to the freedom of 1932.

It seems quite apparent to most persons who try to analyze the present farm problem that they cannot agree with Secretary Benson's basic policy—whose philosophy is: We must have no controls or price supports. In fact, Secretary Benson, President Eisenhower, and the president of the American Farm Bureau—have all advocated lower prices and less acres for the wheat farmer, in order to get rid of our surplus.

Everyone knows that the cost of storing Government wheat has been too high. The figures generally given as the annual fee for storage of various grains are: wheat 21½ cents, corn 19 cents, and 14½ cents for oats. Why such exorbitant fees? Because the elevators have been efficient lobbyists. There are many others besides the terminal elevators who have labored ardently to get overproduction because they would be financially benefited. Some of the biggest "farmer's friends organizations" have been the loudest in trying to keep the present programs.

Here is what one authority outside of Government had to say about this storage racket:

Wheat in the Southwest is a notorious case in point. Elevators store wheat for the Government at usurious rates. They are responsible for grade. But weight and grade are not frequently checked. And grade is not the sole measure of quality. Elevators take CCC wheat, take out the high protein wheat and the best milling wheats and replace it with their own low quality wheat. The Government and farmer-owned wheat is put through a continuous culling process that enables the elevators to sell premium wheats and leaves the storing public with grain fit only for feed. Just how much milling quality wheat does the Government really own?

It has always been my belief that any so-called wheat bill which does not have as its basic objective—cutting down on the storage charges and getting rid of our excess bushels of wheat—is a bad bill. That is why I have always advocated a bushel allotment plan with the proviso, if the farmer raised excess bushels over his allotment he must store it at his own expense on his own farm and at his own risk. To compel him to store this surplus wheat in his bins would save millions for the taxpayer, because we already have been told today and will be told again and again the United States is paying in excess of \$1 million a day in storage charges.

This bill contains, in my opinion, three vital provisions; namely, first, it will cut

down bushels in storage; second, reduce production and at the same time, third, not reduce the price to the farmer. This bill cannot solve all the inherent problems of wheat production, because we must remember there are 1,816,000 farms in America that produce wheat. Almost every one of these wheat farms has a peculiar individual aspect that will be readily apparent when the farm goes under the rule of law. One of the basic objections to most of the past farm laws was—it was impossible to make allowances for the types of soil, climate, rainfall, and so forth, that are found throughout the United States.

Fifteen acres of wheat in the rich blackland, high-rainfall area of the upper Mississippi Valley will produce more wheat over a 5-year period than will 80 acres in the high plains area of Kansas, Oklahoma, Nebraska, or South Dakota because of climate, drought, and insect damage. Yet allotments are always the same in all areas. It has always seemed a bit unfair to allow the man with Government irrigation facilities to have the same allotment by law as the man who has to depend on nature for his moisture.

We all know that the farmer for the first 150 years of this country was an independent operator free to plant, grow, and sell, but after the 1930 era of depression and overproduction Congress started out to try and solve the economic problems of supply and demand by regulating production.

A great many people, including some farmers, believe the only solution to the present farm problem is return to a free market—if it were possible for the farmer to buy on a free market, without any Government regulation, minimum wages, price floors, or many other compulsions that affect the price the farmer must pay to survive. Not only do these compulsory price raisers come from the Federal Government—but from the States attempt to raise additional revenue to use for all the social services devised by our modern society.

Recently in discussing this aspect of the farm problem and why the farmer cannot be expected to be the only rugged individualist in our economy, Assistant Chairman POAGE of the House Agriculture committee said:

Many city people can't understand why their food costs rise—and the farmer can't understand why the price he gets goes down. Of course, there are reasons and it is hoped this article will help to point some causes. The farmer thinks he is being imposed upon by his Government and society in general. The farmer knows that people not engaged in farming are just as much dependent on farming as they were 100 years ago—when one farmer could produce enough for himself and three other people—today a farmer can produce enough food for 20 others—and probably this figure will continue to grow.

Let us examine a few basic reasons for these high food prices. Last year 60 cents of your every food dollar went to the people who bought, handled, sold, processed, transported and packaged these food products; less than 40 cents went to the farmer. Let us take another look at another aspect of this food cost. In 1946 an average American family spent \$767 for food; of that sum, the

farmer got \$397. In 1957 this same family spent \$1,010 and the farmer only received \$3 more, or \$400. The farmer's share went up \$3 and the cost to consumer went up \$240.

Let us take a look at another view of these food costs. From 1952 to 1957 the farm prices decreased 20 percent. In 1952 farmers got an estimated income of \$15.1 billion. In 1956 this income dropped to \$12.1 and last year it was down to \$10.8 billion.

What would have happened to consumer food prices if these farm-produced foods would have gone up like all other costs? We would have paid 25 percent more for food. It is a bit difficult to put across, but it can very readily be proven to those who wish to be fair—that in strict reality the farmer has been subsidizing the food buyer.

The farmers now make up only 12 percent of our total population yet they only got 4 percent of total income. Last year farmers' tools cost \$4 billion more than they would have cost in 1952. In 1950—25,058,000 lived on farms. Now in 1958, though the U.S. population is increasing rapidly, there are 5 million fewer farmers, and most significant one-third of the net farm income came from nonfarm jobs.

In any grocery store or almost in any Congressman's mail you will find this statement: "If they want to keep within the budget—why not quit subsidizing the farmer?"

Please remember this: Just name one business that does not receive some type of Government aid. It may not be readily apparent, but on careful search Government help will show up. In the last 50 years for every \$1,000 this country has spent on subsidies the American farmer only got \$5.

Many forget and do not seem to care for the truth as to what is actually spent on farm supports—there are many items charged to the Department of Agriculture that are not farm supports. Should farmers be charged with meat inspection? Should the farm program be charged with 872 million pounds of food given to the school lunch program? One million four hundred thousand pounds of food for people needing help in national disasters? Should the farmers be charged with all the foods that have been given away under the Marshall plan?

The farmer gets a bigger share out of each food dollar that is spent for poultry and eggs than any other dollar, 65 cents. But the farmer only gets 48 cents for dairy products and 22 cents for grain products and the big bulk of the farmer's income is derived from grain.

In any discussion of what the farmer gets we must always remember that the farmer is the only person in our economy who has to say, "How much am I offered?" The farmer is simply a price taker not a price setter. There is also another factor our city critic cannot quite understand: A farmer has a partner in all his food production; this partner is stubborn, undependable, erratic, unpredictable, and most often uncooperative. Who is this partner? "Old Man Weather." He can rob a farmer's pocket quicker than 10 pickpockets.

The above factors are all controlling and must be considered by every successful farmer, but no one sitting in the Department of Agriculture bureaucracy ever seems to think of these factors when they start their planning for farmers. These planners are always insisting a cotton farmer in the uplands of Georgia is entitled to some same base acreage allotments as the farmer who irrigates on the fertile soils of Texas and California.

Another factor our city consumer does not realize is this: If farmers produced today with the same methods they used in 1940 the consumers food bill would be \$13 billion a year more. The consumers seem to think because we have stored up some 3 or 4 billion dollars of excess food that this is an extravagant waste of tax money. But this 3 or 4 billion is saving the food consumer some 13 or 14 billion in increased food prices.

Today the farmer must withstand the hard knocks from low prices, reduction of acres, and a rising cost of living for the things he must purchase. The farm program theory of Secretary Benson has been "reduce the price support and you will get rid of the surplus." This theory should be thrown out the window. It has not worked in the past and it will not work in the future; because the farmer will simply put more effort, more fertilizer, and with good weather produce more crops. The farmer must have dollars, so he goes after volume because with enough volume even at a lower price he can get more dollars.

The farm problems and surplus crops are not one for the farmers alone. Our population increases 8,000 every day. It is estimated that by 1975 we will probably have 235 million people to feed and clothe. No one advocates that we eat our way out of this surplus. Most important thing to remember is that the American people are eating more meat, more fresh vegetables, more milk, and more cheese. The staple, old-fashioned foods such as bread, beans, and potatoes are off a lot of peoples' diets. When you go to the big supermarkets and see hundreds of food items on the shelves from all over the world and then when you buy a complete frozen meal that you prepare in 20 minutes, do not blame the farmer for the cost of this food. And do not forget the producer of food today is just as important a person to you as the producer who got the food for your great-grandfather by using a gun, sickle, and a hoe. Modern civilization and our standard of living is simply the result of someone producing food by using soil and water.

The average citizen of our high-plains area who thinks of the falling farm prices while things he buys goes on in the upward spiral, must recognize certain forces as to why we continually build up our surplus food products.

In 75 percent of the letters that are written to me in regard to the United States surplus of food products, this idea or thought will appear: "Let us give these excess products to the needy people of the world and quit paying storage on them." That is a fine Christian concept but it is not that simple. Let us take a little closer look. Each foreign nation is sovereign and has the right to control its own people and affairs just

as we do in the United States. You cannot load a shipload of wheat, rice, lard, cheese, and milk products in the United States and sail to a foreign country and unload the ship and say to the citizens of that country: "Come and get it." The foreign country will not permit it because they will simply say, "These are our citizens. We have farmers and storekeepers and you cannot drive them out of business by dumping your products on us." Then again, some of these countries will say, "You cannot make paupers out of our people. We will take the products you offer and distribute these as we deem just and equitable." Which means selling it through their regular trade channels. I am sure that we would not permit some nation to distribute its excess products, free of charge, to our people, thus depriving our own farmers and businessmen their right to their normal profits. That is basically why foreign governments will not permit us to give away our excess farm products. Even when church groups distribute these excess products the countries still strictly control the distribution.

Let us also look at some more barriers and reasons why it is difficult to dispose of our excess products in foreign countries.

Each foreign country has a quota system, permitting only so much of a product to be imported. Belgium has a requirement that all bakeries must use 90 percent Belgian flour made of wheat grown in Belgium. Other countries have similar requirements. Even if there were no import restrictions on these food products, there is the question of money exchange, which, of course, means how to pay for these products. Most foreign countries will not permit their currency to leave the country; in other words, buyers of U.S. products have to get permission to pay for their U.S. products with their own currency. Many times there are no dollars to exchange. This currency shortage is a most difficult barrier.

A few years ago Congress passed a law so that the United States could barter our excess food products for some commodities that a country wanted to trade us. There again we ran into difficulty because not many countries had products with which to trade that were not already in plentiful supply in this country. There were, however, certain countries where we could trade cotton and wheat for strategic minerals. As a result we have huge mineral stockpiles now on hand.

Another factor that restricts the export of livestock products in excess of our own needs is that these livestock products are regarded by many countries as luxury goods, and hence will not permit these meat products to be imported. In other words, they refuse to use their scarce dollars for what they consider luxury items. France, Italy, and Britain are good examples of this. France could consume a great deal more of pork products except for this factor. There is also another factor which retards the exportation of our meat products. Our prices are higher, much higher, than the same products from Argentina, Uruguay, Australia, New Zealand, and Canada.

Perhaps the greatest of all handicaps of getting rid of our surplus wheat is the

fact that we, the United States, have been a party to the International Wheat Treaty, by which we agreed to a world price for so many million bushels of wheat.

We have to live up to this treaty. Then the other wheat-exporting countries like Canada, Argentina, Australia, Turkey, and so forth, say, "The United States is dumping their excess wheat on our prospective markets." This, of course, causes these countries to point their finger at Uncle Sam, and say, "Is this what you mean by a good-neighbor policy?"

The above statements are pointed out to show how complex is this whole matter of disposal of excess farm products abroad. Our State Department has the final say so on all such transactions. We have agricultural experts in all foreign countries. Who do they work under? The Secretary of Agriculture? No, the Secretary of State.

In all these transactions of trying to get rid of our excess food products we are always confronted with foreign nations' attitude, whether it be by gift, barter, or sale. These foreign countries through necessity must try to maintain a balance between their own consumers and their own producers.

No one will deny that through our foreign-aid programs we have assisted most foreign nations to increase their production of food. We taught them our methods, gave them tractors, experts with the know-how, fertilizers, insecticides, and so forth. We encouraged them with our tax dollars to produce, and they did. Consequently, look at our own exports; they are going down, down, down.

Many countries, through regulations, do not permit many of our meat products to be imported. Canada will not permit the United States to export fresh, frozen, or cured pork for sanitary reasons.

Another factor that has to do with our own U.S. policy is this: We are the world's biggest producer of meat products. The largest importer of meats in the world is Great Britain, and strangely enough the United States is second largest importer. We import, according to the U.S. Department of Agriculture, 524 million pounds per year. This includes beef, veal, pork, mutton, lamb, goat and horse meat on carcass weight basis.

Payments received by farmers for food products in 1948 was 19.2 billions, but payments to farmers for food products in 1957 was 19.5 billion. The retail value of this 1957 food was 50.5 billion. That is what the consumer paid. The retail price of the 1948 food sold by farmers was 39.0 billion. The marketing charges rose over the 10 years to \$11.4 billion. The figures apply only to foods produced and sold off the farms and purchased at retail by consumers. For feeding a population of 146 million in 1948, the farmers received a sum of \$19.2 billion, but in 1947 received \$19.5 billion for feeding 172 million persons.

Most of the loud voiced panacea peddlers, who always are pointing out that farmers are getting rich at the expense of the consumer, are just cheap prattlers of silly songs, trying to get votes in the large cities.

The facts are very apparent to anyone who wants to really know, but there are even people in the Department of Agriculture who seem to think it is their duty to always be talking about the necessity of lowering the price of farm products in order to protect the interests of the consumers in the large city areas.

The farmer today gets lower prices for basic farm products than he did in 1952. Take butter as an example; in 1952 the wholesale price of butter in Chicago was 72.2 cents per pound, today it is 58.7 cents. Most retail food prices increased 30 percent from 1950 to 1957. Butter prices increased less than 2 percent.

What causes the increase in food costs to consumers? Labor, transportation, additional costs of packaging, freezing and the preparation of precooked foods. One of the biggest items in the increased cost is taxes; and, of course, throughout history the tax gatherers and tax leviers have been trying to conceal the taxes levied. The best tax in the eyes of the taxmakers is one that is the most cleverly concealed. Certainly the taxes on the processing of food is a good example of concealed taxes.

The farmer's contribution to the consumers' food bill has not increased in the past 10 years. Incomes of persons who are not farmers have increased steadily during the past 10 years. The cost of goods and services the farmer must have has increased steadily. The cash income of farmers has not increased.

There is also a vociferous group seeking consumer votes who are always saying the price support program for farmers increases the cost of food to the consumer. This is not true. The figures and data included herein take into account so-called price supports.

Not long ago I received a postal card with 3 bright new pennies attached. The message on the card said: "Lower the price of bread by getting rid of price supports." This was an admission that there is about 3 cents worth of wheat in a 24 cent loaf of bread.

Let us take a little closer look at what goes into the cost of a 24 cent loaf of bread that a few years ago cost 10 cents.

Wheat today sells on the market for about \$1.73 a bushel. By the time this bushel of wheat is made into 66 loaves of bread, it costs the consumer \$15.84—quite a spread.

The grocer who sold this bread at a profit got about 3 cents on a 24-cent loaf. He had to pay out of his 3 cents a portion for taxes, social security, unemployment, electricity, telephone, rent, investment charges, delivery charges, gasoline taxes, income taxes, and so forth. All these taxes must be paid or go out of business. In addition to these hidden taxes and fixed charges for doing business, there are the constantly increasing labor costs of his employees. Mr. Hoffa's teamsters do not work for nothing. So it would seem with all these charges—3 cents profit per loaf is not an exorbitant profit.

The mill that ground the flour paid 2½ cents for the wheat in a loaf of bread, but when he sold the flour for this loaf he got 5 cents. This flour milling company has seven Federal taxes to pay as

well as seven State taxes to pay. The railroads or trucklines that hauled the flour also had about the same number of hidden taxes to pay.

Let us take a look at other factors of cost in this loaf of bread. There is sugar in it. Sugar has had a very stable price over the past 10 years. You can get about as much sugar for a dollar today as you could 10 years ago, maybe more.

So the sugar cost in a loaf of bread has not increased. Neither has the cost of shortening increased, nor the price of salt. It was recently pointed out by well-informed sources that with all these charges a loaf of bread could be sold for 12 cents.

But upon closer look we find more hidden charges. It is estimated there are 206 separate transactions in getting a quart of milk from the pasture to the bakery.

It is reliably estimated there are 151 separate taxes on this 24-cent loaf of bread.

In final analysis we are paying in hidden taxes—12 cents on each loaf of bread.

What conclusion have you reached in regard to these figures? I believe there is only one conclusion you can come to and it is this: The grocer, the baker, the miller, the railroads, the trucker—involved in this loaf of bread—does not pay these hidden taxes, you pay the taxes—you the consumer pay—because all these people or corporations just pass the tax charges on to you.

It can safely be said the people who eat this 24-cent loaf of bread pay all the taxes.

The farmer who received the 2½ cents for his wheat also paid taxes.

And while thinking of taxes please remember whenever you hear about Congress voting a billion dollars to India, Tito, Communist Poland it costs every American family \$25 for each billion spent. Do not think because you do not pay this \$25 directly you do not pay it.

For the average citizen these hidden taxes are more costly than a direct income tax.

And here is a question for you to answer, "If every family had to send in their \$25 to pay their share of the billions aid program to Communist Poland and Tito, how much do you think Poland and Tito would get?"

As I said in the beginning, I realize this bill is a patched-up affair; but it is a start, and in my opinion will start reducing the surplus of wheat and not break the farmer in so doing. This bill is only for 2 years.

Its basic provisions are:

Reduces the 15-acre exemption to the smaller of 12 acres, or the highest planted acreage in 1957, 1958, or 1959, and permanently repeals the 200-bushel exemption, which is now inoperative.

Removes the ceiling of 30 acres on the wheat-for-feed exemption, and allows unlimited production for on-the-farm use.

Provides price supports at 90 percent of parity, but requires producers to reduce their acreage allotments by 25 percent. This land in the 25-percent reduction is not eligible for the soil bank or

for planting to any crop subject to price support under the Agricultural Act of 1949.

But farmers could plant sorghum, corn, oats, and rye, which he could sell on the open market. He could plant crops for ensilage on this 25 percent land.

If the farmer will agree not to plant any crops or use for pasture any of this 25 percent land, he would receive a bonus for this 25 percent land of a payment in kind in wheat on one-third of the actual average wheat production during preceding 3 years. As payment he would receive a certificate that he could take to the Government stored grain bin and get wheat or sell his certificate in bushels of wheat at market price.

For the 2 years this bill is in effect it increases the present penalty for overplanting to 65 percent of parity, and bases computations on double the normal yield or the actual yield, whichever is lower.

Provides automatic history preservation.

Wheat farmers would be given an opportunity to vote on this if the bill becomes law. If two-thirds fail to vote for it there would be unlimited production of wheat at 50 percent of parity.

I shall support this bill because in my opinion it is the only chance we have of getting any so-called wheat legislation.

Mr. QUIE. Mr. Chairman, I notice by the comments of the gentleman from South Dakota who preceded me that the Democratic national platform contains a statement that agricultural products be supported at 90 percent of parity, yet we saw them go against their platform in their bill yesterday when they asked to have tobacco supports cut back below 90 percent of parity; in fact, they wanted it cut back to 88 or 87 percent this year and continually cut back through the years for another 5 years to 71 to 75 percent of parity on Flue-cured and burley tobacco.

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

Mr. QUIE. I yield.

Mr. JENNINGS. Had all basic commodities remained at 90 percent of parity it would not have been necessary for the tobacco producer to come in and ask that their support price be figured on the old or the new parity, whichever was the lower. It was sliding scale of parity prices on other commodities that were not controlled that caused tobacco to go up and caused the tobacco growers to want to have it lowered in order to keep some semblance of supply and demand.

Mr. QUIE. The gentleman is right in one point only there, that was one of the reasons why 90 percent parity caused the price to go up. The other reason that caused it to go up was that you did a good job of controlling tobacco production. That is the second reason it happened.

Mr. JENNINGS. I agree with the gentleman and that is exactly why we were opposed to the amendment that the gentleman supported which would freeze this price for 3 years. In addition to that we were supporting 90 per-

cent of the old provision, 90 percent support price, 90 percent of the old parity which gave them a lower price.

Mr. QUIE. But the reason for going back to old parity is really to hide the fact that the price support is frozen.

There are three reasons why we are in difficulty on the wheat program. We allowed wheat farmers to overproduce by not imposing a penalty which would prevent overproduction. This bill it is true goes a step in that direction by increasing the penalty; but to do a good job, I would say that the bill should put a penalty on planted acres and not on harvested acres.

The second reason why we are in difficulty is because we have the 15-acre exemptions. Farmers who never planted wheat before are now harvesting up to 15 acres on their farms. In 1941, when the exemption became law, 28,000 farms raised less than 15 acres. Now, because of a guaranteed price, 1,225,000 farms are raising up to 15 acres.

I shall vote for the Belcher amendment because it will get at one of the reasons why the past wheat program has failed. His amendment would put all wheat farmers under quota no matter what size of allotment they have. If we are going to support the price of wheat at a higher rate than its normal market value, it is recognized by all that controls must be imposed. This amendment will affect the farmers in my district since most of them raise less than 15 acres of wheat and hundreds of them have elected to raise wheat in late years. The only way a control program will work is if all farmers who raise wheat are involved in the program and the Belcher amendment will be necessary to bring this about. My farmers are not greedy like the gentleman from Tennessee said his were. I believe they recognize the principle involved and those who traditionally raise wheat would like the opportunity to vote.

The third reason why the program has not worked is that Congress put a 55-million-acre minimum allotment for the whole country. On that 55 million acres we grow more wheat than we can use in this country, and export without great subsidy. We ought to be able to reduce wheat acreage below that. The 55-million-acre minimum should be reduced. The committee bill goes in that direction but acres would need to be reduced at least 30 percent to do the job at 90 percent of parity.

I went along with you when you wanted a support at less than 90 percent of parity in the tobacco bill because you found you were pricing yourselves out of the tobacco market. Now I ask you, Is there not a similar danger in this wheat bill?

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did I understand the gentleman to say most of his wheat farmers were small farmers?

Mr. QUIE. Most of my farmers raise less than 15 acres of wheat.

Mr. COOLEY. If the gentleman votes for the Belcher amendment, he is going to vote them out of business.

Mr. QUIE. Why should they be allowed to come in and ruin this wheat program?

Mr. COOLEY. But if the gentleman votes for the Belcher amendment, he will do so knowing that he will put all of the 15-acre farmers out of business.

Mr. QUIE. This amendment puts them in the wheat program. If they want to raise wheat, they should come under the program and have an opportunity to vote on it. The raising of wheat is a very small part of this total enterprise and would in no way put them out of business.

Mr. COOLEY. Yes. Then, if the Belcher amendment is adopted, they can go out and grow corn, soybean or any crop they want to grow in competition with the crops of Iowa and the great commercial corn area of America.

Mr. QUIE. We are in the corn area, and that is what these farmers were growing all of these years.

Mr. COOLEY. Does the gentleman think that the farmers of Iowa want your farmers to abandon the growing of wheat and go into the corn-producing business when we have the largest corn crop in our history in the current year?

Mr. QUIE. These people are corn farmers, and that is a problem we will have to take care of in the corn bill. They are harming the wheat program—should stay within their allotments and most of them recognize that.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I want to say at the outset that I support the Belcher amendment as I hope it will be amended by an amendment I will offer, because I think it does something permanent to a very bad wheat law.

I heard a joke on television the other night about the tree surgeon who fell out of his patient and broke his leg. It reminds me of the Congress. We have been climbing up that tree and falling out of the tree; the tree gets bigger and the fall becomes harder all the time. It is time we do something about curing the disease.

I want to say something about the role of the whole Congress in this agricultural situation. We had a very unique argument made here the other day that seemed to indicate if one did not grow wheat, corn or tobacco, he was not qualified to really think about the problems of these programs. I am in a rather unique position. I represent an agricultural area. But I do not own a farm. But it is time that you people in the cities become alerted and do not turn the determination of these programs over to the wheatgrowers or the cottongrowers or the tobacco growers. You have a stake in this whole program. I never heard anyone assert that the urban city dweller should be given a carte blanche on a housing program or that the representatives of labor should be given carte blanche on a labor bill.

So let us play it both ways and exercise judgment with respect to this farm program.

Let me say that if this kind of legislation continues much longer we might as well screw the dome off the Capitol and give it to these various commodity groups, because their demands are insatiable unless they are tempered by the good judgment of Congress and by those Representatives who do not have a vested interest in their vote.

I was at one time an advocate of 90 percent of parity. I no longer am. I feel these programs have created a situation where we are advancing to a condition of corporate farms at one end and a peasantry like we have in Europe at the other end. If these programs are not reasonably altered ultimately we are going to proceed to the condition where we have nothing but an impoverished peasantry existing on a subsistence basis.

What is wrong with the wheat program? The wheat farmers have enjoyed too high a price support. Experts will tell you that by any reasonable standard of parity the level of support has been 110 to 115 percent of parity, a wartime price for wheat. A 75 percent of parity perhaps is too high. I understand that a reasonably efficient wheat grower on good ground in a good producing wheat area can grow wheat for about 80 cents a bushel. The proposal offered by the committee would peg that price support at \$2.13 a bushel. The prospect of profits is tremendous. True, the committee bill makes a gesture in the direction of reduced acreage. But what is accomplished when you provide this high incentive price at the same time? You guarantee that the farmers are going to take out their worst acres, they are going to farm the devil out of the acres remaining, and your total yield is going to be approximately the same.

Remember also that this is only a 2-year program. We are merely putting a patch on a very smelly situation, and it is going to start smelling again in a subsequent Congress and that Congress will have the same pistol pointed at its head as this one, with mountainous surplus and a big bill to the taxpayer. On the other hand, the Belcher amendment does something permanent to the wheat law, which, in its present form, does not go far enough, but will with amendments I will offer. It will result in a considerable reduction in wheat acreage. Furthermore, it will maintain a lower support level which will not provide the incentive for this mass intensive farming to detract from a reduction of the lowest producing acres. And, I am certain, further, that there will be many acres that will not be planted by farmers who might plant under the 90 percent program. That is the advantage of the Belcher amendment.

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

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

Mr. CORBETT. I would like to commend the gentleman on his statement and to assure him that a lot of our folks from the cities are going to support this reduction, and I think one of the best evidences of it is the fact that there were 149 votes yesterday against the tobacco bill, mostly as a protest against what is going on.

Mr. HAGEN. Those persons who argue that by lowering price support you do not increase production overlook the fact that farming has changed in this country. We have farmers—and they are the best farmers—who exercise a business judgment about their production, and if by reason of the contemplated market price, they cannot reap the profit they seek, they will not plant. The argument that there will be no planting reduction by reason of the lowering in support level is completely fallacious. True, some farmers do not follow that course of procedure, but there are a number of them who do, and under the Belcher amendment you will find a substantial lessening of production.

The pending wheat bill, H.R. 7246, is a grossly inadequate response to our most pressing farm problem, to wit, reduction of our present oversupply of wheat, which, by date of July 1, 1960, will reach a quantity of 1½ billion bushels—an amount adequate to supply annual U.S. food needs for 3 years—an amount of Government-held grain that will cost over \$1 million a day to store and to meet the cost of interest attributable to the amount of money invested in it.

The wheat bill provisions amount to an effort to place a 2-year bandage on a festering sore to keep it from smelling and a subsequent Congress will meet confronted with the same necessities of changing a basically bad permanent wheat law with costs increased by a temporary expedient and little or no reduction in Government surpluses.

Our actions should be governed by public policy criteria and not by a partisan concern for the wheat grower. The present problem stems from the misdirected effort of past Congresses to kill the wheat grower with kindness through exorbitant gratuities. The blame for the present situation lies directly with past Congresses and if H.R. 7246 passes in its present form we will share that blame.

There is no logic in the inconsistencies of the various commodity support laws, and the wheat law has been the loosest, as a critical examination of it will reveal.

A. SUPPORT LEVEL

The support level has been too high. By reason of the mechanization of production and increases in yields—without equivalent increase in cost—the cost of production per bushel has greatly fallen in a fashion not reflected in parity formulas, which have held support prices at a level calculated by experts to represent 110 to 115 percent of a realistic parity. The American Farm Bureau Federation estimates that wheat can be grown in reasonably efficient production areas for a cost of about 80 cents a bushel, whereas recent support prices deemed to represent 90 percent of parity or less have topped the \$2 per bushel figure. This high price has worked against the interest of efficient growing States by inviting in more marginal competition.

B. PRODUCTION CONTROLS

Production controls, on the other hand, have been almost constantly loosened at the expense of the American taxpayer. Remember this fact, because a high price support program can only work in a framework of tight production controls.

To illustrate my charge of loose controls, let us take the example of wheat-grower John Doe.

The Congress generously afforded to him and his colleagues a minimum national farm acreage allotment to cut up which would invariably produce a wheat surplus even with the existence of a juicy export subsidy program. The high national minimums established—currently 55 million acres—tightened the belt of the taxpayer but did little to tighten the belt of the wheatgrower.

To compound its misdirected generosity in the form of support levels and minimum national allotments the Congress then made it easy for the individual farmer to slip out of the noose of controls. For example, efficient farmer John Doe was given the opportunity and the incentive to violate his quotas.

With the certain knowledge that a sufficient number of his less efficient neighbors would, in effect, sell their wheat to the Government to maintain the support price as the market price, the law made it easy for him to illegally violate his quotas.

First the penalty for overplanted wheat was too low. With an 80-cent-a-bushel cost of production and a price in excess of \$2 he could profitably afford to pay an approximate 80-cents-a-bushel penalty. Moreover he did not pay the penalty on all of his illegal bushels because the Congress said that it would be paid only on an estimated normal yield and he could consistently grow more than that normal yield, which might have been arrived at in connivance with local farmer committees.

Moreover, until recently, he could acquire crop history for his illegal acres and the following year could plant them legally in competition with other wheat growers—a most valuable privilege like that exercised by a bootlegger in investing his ill-gotten gains in a legal business.

However, the Congress did not reckon this pie was rich enough. It thought that John Doe should have a second look at the consequences of his illegal act of overplanting. It provided that his compliance with quotas would be measured—not on the basis of planted acres but rather—on the basis of harvested acres. With this “last clear chance” John Doe could bring himself into compliance, after violating the intent of the law, if the wind and the weather had not cooperated with him as he desired and produced an overall bumper crop. He could simply plow under those illegal acres which an act of nature had made unprofitable. This privilege was of double benefit because he was thus able to select his best acres as compliance acres after the fact of violation—one of the few cases in life in which hindsight was permitted to operate in a business transaction.

Even this cumulative generosity was insufficient for at least a segment of our lawmakers. They decided to give John Doe a backdoor form of crop insurance without the usual justifications that Government insurance must meet.

If John farmed in an area of uncertain weather from year to year he was

permitted to store his illegal grain, without paying a penalty, and if his allotted crop failed the next year, he could declare that illegal grain as that year's production and sell it without penalty.

Now, we, as citizens, may sympathize with the victim of bad weather but we must keep in mind the fact that these bad weather possibilities are reflected in lower land costs, lower tax assessments, and a variety of other ascertainable benefits. Furthermore we must remember that these objects of our sympathy have re-created the Dust Bowl problems of the mid-thirties in a large section of our country, and have made money by such actions, at least in the short run.

C. EXPORT SUBSIDY

Past law has not only given the wheat growers the advantage of high support levels and loose controls but also has given them a dump export subsidy program unmatched by that of any other crop. For some reason difficult to understand this aspect of the program has relieved political pressures on other aspects of the program.

This export subsidy—which infuriates our friends abroad such as Canada—currently amounts to about 70 cents a bushel. It dates back to the mid-thirties in a single form. But the demand for foreign sales to relieve the pressures on our elevators became so great that it now has multiple forms. The original subsidy has been supplemented by the International Wheat Agreement and inclusion of wheat in the benefits of Public Law 480.

D. THE PAINFUL CONCLUSION

The Farm Bureau estimates that the various guises of the wheat program have cost the taxpayers over \$5 billion through 1958 and excluded from that figure are large areas of administrative costs and amounts of Government paid for wheat values disposed of through UNRAA, famine relief, and lend lease.

On the basis of these facts I will seek to amend H.R. 7246 to accomplish some needed permanent changes in the basic wheat law and I hope that you will support me in my effort.

I will seek to reduce the 55 million national acreage allotment minimum to a figure of 40 million.

I will seek to require evaluation of compliance with acreage allotments on the basis of planted acres rather than harvested acres. This change of standard will not only reduce surplus production but reduce some of the temptation for the wheat grower to become a law violator. Furthermore it will have an impact on the operation of the “back-door crop insurance program” which I have mentioned.

I will seek to make these same amendments to the substitute to the committee bill to be offered by Congressman PAGE BELCHER. Parenthetically I should state that I will support the Belcher substitute as an improvement over the committee proposal.

I would also like to read into the RECORD an analysis of the relative cost of H.R. 7246 and other aspects of the committee bill, prepared by someone in the American Farm Bureau Federation. Whether this analysis has the complete

approval of the President and directors of the American Farm Bureau Federation I do not know. I do know, however, that the organization officially opposes H.R. 7246 on a variety of grounds. The said analysis reads as follows, quote:

COMMENTS ON REPORT NO. 384 DATED MAY 25, 1959, OF THE HOUSE AGRICULTURE COMMITTEE CONCERNING H.R. 7246, PROPOSING A WHEAT PROGRAM FOR 1960-61

The explanation starts out by saying that “This bill . . . would reduce the production of wheat during the 2 years by approximately 480 million bushels; it would lower the cost of the wheat program during this period by an estimated \$528 million.” The report does not explain how such optimistic estimates can be substantiated. As a matter of fact, the following is a much more realistic appraisal of what probably will happen.

First, production might be reduced somewhat, but the carryover of wheat stocks by the Government would probably increase. The reasons for this are set out below. With respect to the estimated savings, this is strictly without foundation, and probably the new bill would cost more money rather than less. This also is set out below.

REDUCTION OF PRODUCTION

This bill might reduce production somewhat but not necessarily carryover stocks in each of the next 2 years. It would, however, stimulate efforts to increase yields through irrigation, new varieties, use of fertilizer, etc. This plus the improvement in productive capacity that is to be expected in the land diverted from wheat production would set the stage for very material expansion of wheat production in the future; \$2.13 is such an incentive price to encourage production that it is illogical to assume that production will be curtailed to any appreciable extent, particularly when it is realized that in many areas wheat can be produced for 80 cents a bushel or less. The reduction in production which might result from the bill would not be proportionate to the proposed acreage cut.

1. Producers would retire less productive acres.

2. Some immediate increase—and perhaps a sizable increase in average yields inevitably would result from the proposed 25 percent cut in allotments—even in the short run, the effect would be greater a few years from now.

3. The combination of increased price supports and reduced allotments would stimulate a fuller use of the allotted acreage and quota exemptions, thereby offsetting, at least in part, the effect of provisions lowering marketing quota exemptions and tightening the rules on compliance.

4. Since in excess of 5 million acres have been allotted to producers growing 15 acres or less, a sizable acreage would not be subject to any reduction in allotment.

5. Experience in the past with acreage reduction proves that the reduction is in the neighborhood of less than 25 percent of the proportionate acreage cut.

DOMESTIC USE OF WHEAT WOULD BE REDUCED

1. Seed requirements probably would be reduced from 66 million bushels in 1958 to about 48 million bushels. This allows for some increase in the seeding of wheat under the proposed expansion of the feed wheat exemption.

2. The use of wheat produced on allotted acres, or within the marketing quota exemption for feed, probably would be reduced at least 30 million bushels.

3. Although the demand for wheat for human food is inelastic, it is probable that a higher support price would reduce the domestic consumption for human food by as much as 15 to 20 million bushels whereas, an increase of 5 to 10 million bushels might take place if there were no change in the support price. Thus, the proposed increase in the support price could reduce the do-

mestic consumption of wheat by as much as 60 million bushels—perhaps more.

EXPORTS

While it may appear that subsidy programs would prevent the proposed program from reducing wheat exports, the probabilities are that some reduction in exports would result for the following reasons:

1. The increase in export subsidies required to maintain our export position would stimulate increased foreign opposition to U.S. export policy and this would tend to cause U.S. officials to ease up on their efforts to maintain maximum wheat exports.
2. The return of the United States to 90 percent of parity price supports for wheat would set an example which would encourage other countries to raise their own support prices and thereby increase world wheat production.

PROBABLE PRODUCTION

The probable production under the present law would amount to about 1,265 million bushels.

Since the export subsidy would cost an additional \$157 million, the obligation in 1960 would amount to at least \$1 million more per year without otherwise taking into account the additional impact of further intensifying production on the agricultural plant. Also, this does not take into account the proposed subsidy of making payments in kind for withholding the acreage from other production. This would add considerable additional cost depending upon the extent of participation.

The bill does not really call for strict compliance. The provision that the acreage taken out of wheat cannot be put into price supported crops appears to be tight, but actually does not have the effect that might appear at first glance. A farmer could refrain from taking price support on wheat because the wheat market was supported by many other compliers and thereby qualify for price support on the diverted acres, even though they might be used for other price supported crops.

A comparison of the present program and the proposed House bill is as follows:

	Present program	House bill
Support price (per bushel).....	\$1.78	\$2.13
Estimated export subsidy (per bushel) ¹	\$0.55	\$0.90
National allotment (millions of acres).....	55	42.5
Harvested acreage (millions of acres).....	57½	44.5
Yield (bushels per acre).....	22	27½
Production (millions of bushels).....	1,265	1,224
Production eligible for price support (3X5) (millions of bushels).....	1,210	1,167
Government price support obligation (1X7) (millions).....	\$2,154	\$2,486
Excess obligation (millions).....		\$332
Additional export subsidy cost (millions).....		\$157
Total direct additional Government obligation (9X10) (millions) exclusive of additional costs of making payments in kind.....		\$489
Domestic consumption (food in millions of bushels).....	493	480
Feed (millions of bushels).....	60	25
Seed (millions of bushels).....	66	48
Exports (millions of bushels).....	450	400
Total disappearance (millions of bushels).....	1,069	953
The indicated change in carryover (millions of bushels).....	+199	+271

¹ Based on prices under International Wheat Agreement—actual cost much greater in both cases.

² It is inaccurate to assume a 25-percent reduction from the minimum national allotment of 55,000,000 acres since many farms are exempt from any reduction. In 1958 USDA estimates 5½ million acres were allotted to exempt farms with 15 acres or less. Accordingly, the 25-percent reduction would apply to only slightly less than 50,000,000 acres after taking the 5½ million acres into account and also the lowering of the exemption from 15 to 12 acres.

³ Increased price support of 35 cents per bushel would result in an estimated 25-percent increase in yields due to the profitability of applying more fertilizer, irrigating more acres, a higher percentage of the remaining acres harvested being in humid areas, use of better land, etc.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTI].

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

Mr. LATTI. I yield to the gentleman from Michigan.

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent to insert my remarks in the RECORD following the remarks of the gentleman from Ohio and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LATTI. Mr. Chairman, at the outset of my remarks I want to pay tribute to the gentleman from Oklahoma [Mr. ALBERT], who has worked hard and long during this session in an attempt to resolve the wheat problem facing the Nation. Another gentleman from Oklahoma [Mr. BELCHER], the ranking minority member of the Wheat Subcommittee, has likewise worked diligently and conscientiously with this problem. Mr. ALBERT, as chairman of the Wheat Subcommittee, of which I am privileged to be a member, has patiently heard out every witness who desired to be heard on this subject with the faint hope that a solution to this gigantic problem might be forthcoming. He listened to the various farm organizations in the presentation of their plans which they sincerely believed would be workable and acceptable. The many hours of labor of this subcommittee, headed by Mr. ALBERT, has helped materially to focus attention on this problem and as a result has already made a significant contribution to the country.

Everyone in the Congress recognizes the fact that we are fast approaching a crisis in wheat—a crisis resulting from an old Government program that has not worked. Everyone is in agreement that something must be done about it—and fast. There is, to say the least, considerable disagreement as to how to attempt to solve the problem. There are those who maintain that we can cure the patient by giving him an overdose of the same kind of medicine that has kept him from getting well. There are those who say that we should eliminate the medicine and let the patient recover. With this costly program hanging over the heads of the taxpayer, there are those who say we should reduce or eliminate the production of the farmer who has not been costing the Government one thin dime in price supports. I have reference to the small, 15-acre farmer. There are those, and I am one of them, who believe that if we sincerely want to reduce the terrific cost of this program, that we should reduce the production of the larger farmer who has been receiving the real benefit of the taxpayers' dollars under this program. There are those among us, and I am one of them, who believe if we are to continue a wheat program that it should recognize that we grow several different classes or types of wheat, that they are used for different purposes, and that all of them are not in great surplus.

Everyone is aware of the tremendous cost of the present program and every-

one is aware of the fact that the present program has not worked, that it has encouraged over-production to such an extent that the storage charges alone are now costing the taxpayers of the Nation \$1 million per day. Everyone in the Congress, including the distinguished gentleman from Oklahoma [Mr. ALBERT], knows that the bill before the Committee today is not the answer to this problem but is only an emergency, 2-year, stopgap piece of legislation and is only postponing the day of reckoning with the problem. Every member of the Agriculture Committee is aware that our distinguished chairman, Mr. COOLEY, holds no pride of authorship in this bill even though it bears his name. In fact, H.R. 7246 has been truly labeled as the bill that no one wants. Notwithstanding this fact, however, we find it before this committee today for consideration. Why is that no one wants H.R. 7246? I believe it is because this bill seeks to continue the high price support—strict control principle which has proven to be such a costly and colossal failure. It provides for imposing the strictest control over the American farmer that he has ever been asked to accept. At a time when the American farmer is generally asking for more freedom from Government, I believe it is grossly unfair to saddle him with stricter controls and high price supports. Recently I conducted a poll in my district, the Fifth District of Ohio, on this very subject. The farmers of my district responding to the question, "Do you agree that the farmer generally wants fewer controls and more freedom from Government interference even though it may mean a temporary period of price adjustment?", voted 90.4 percent in the affirmative. Recently the Farm Journal magazine polled its readers in 48 States and learned that 8 out of 10 of its readers wanted lower price supports and fewer controls instead of high price support and strict controls.

The Department of Agriculture has estimated that H.R. 7246 will cost the taxpayers of this Nation an additional \$110 million. In view of this increased cost, I believe it is incumbent upon every Member of Congress to ask himself whether we can conscientiously go to the taxpayers once more and ask them to absorb this increase in view of the costs and failure of the present program. In considering any revision of the present wheat program at this time, I believe it is not only important but imperative that we take a look at some of the factors which the present agricultural act provides should be taken into consideration in determining whether a price support operation is to be undertaken for a particular crop and the level of price support for such crop. Section 401 (B) of the Agricultural Act of 1949 provides eight factors which should be taken into consideration in fixing price supports. The first factor provides that the supply of a commodity shall be considered in relation to the demand therefor. With a 2½ years' supply of wheat in Government warehouses, we certainly would not be following the theory of the law we are seeking to amend, by increasing the

support payments as provided for in H.R. 7246. The sixth factor listed in this subsection deals with the ability of the Government to dispose of stocks acquired through a price support operation. The huge wheat surplus is sufficient evidence that we have been unable to dispose of this commodity's surplus. The eighth factor which the law provides to be taken into consideration is the ability and willingness of the producers of the commodity to keep supplies in line with demand. No one can dispute the fact that the producers of the concerned commodity have not kept the supply in line with the demand. It is, therefore, evident that H.R. 7246 is a radical departure from the terms and conditions set forth in the Agriculture Act itself for fixing price supports.

H.R. 7246, as written, is certainly unfair to the farmers who have been producing a variety or class of wheat which has not been added significantly to the surplus. I have particular reference to the producers of wheat east of the Mississippi-Missouri Rivers who have been raising Soft Red Winter wheat used in the making of cakes, pastries, and crackers. The Department of Agriculture estimates that the July 1, 1959, carryover of Hard Red Winter wheat, which is generally raised west of the Mississippi-Missouri Rivers and used for the making of bread, will be 946 million bushels as compared to an estimated carryover of Soft Red Winter wheat of 16 million bushels. In other words, the anticipated carryover of Soft Red Winter wheat is less than a month's supply and any further reduction in the supply of this type wheat could easily result in a very serious shortage of the type wheat used in the making of cakes, pastries and crackers—James Skidmore, chairman, Grain Committee of the National Soft Wheat Millers' Association—notwithstanding this fact, H.R. 7246 proposes to further restrict the production of the small farmer who is the major producer of this class of wheat by reducing the present 15-acre exemption to the smaller of 12 acres or the highest planted acreage in 1957, 1958, and 1959. Consequently, if this bill became law, we would be reducing the supply of a class of wheat in which there is no great surplus. Should this result—and this is a hidden danger in this bill—the millers using the Soft Red Winter wheat would be forced from a lack of supply to change their milling processes in order to use hard varieties with a resulting loss of markets to the producers of Soft Red Winter wheat which could become permanent. I know that statements will be made here that the export of Soft Red Winter wheat has been subsidized, which is in my opinion no argument at all, as other varieties of wheat have likewise been subsidized for export.

As I stated in my minority views on this bill, H.R. 7246 seeks to continue in effect the undemocratic principle of denying the right to vote at a wheat referendum to 1,225,101 of the 1,815,602 wheat farm operators in the United States. In other words, 67.5 percent of the wheat producers of the United States are still denied the right to vote under

the provisions of this bill in a wheat referendum. In my own State of Ohio, for example, there are 157,516 wheat farms, of which 127,916 are denied the right to vote under the present law and under provisions of H.R. 7246. Believe it or not, this means that 81.2 percent of all the wheat producers in the State of Ohio are denied the right to vote in a wheat referendum. This bill should be amended to allow all wheat growers or at the least, all farmers with an allotment to exercise the right to vote as they are all restricted and affected by it.

One cannot but conclude that this bill is designed with the large producers in mind. To illustrate this fact and in no way to endorse the principle of payment in kind, H.R. 7246 provides a one-third payment in kind to the producer above the 15-acre minimum but denies this small producer a similar payment in kind for his 3-acre reduction under this bill. I cannot voice my objections too strongly to this payment in kind, administrative monstrosity. Its adoption certainly would heap further ridicule upon the farm program by requiring the Federal Government to return stored wheat to the same producers who helped create the surplus.

H.R. 7246 does have one commendable feature. It permits a farmer unlimited production for on-the-farm use by removing the present ridiculous 30-acre ceiling.

In conclusion, Mr. Chairman, I cannot urge too strongly that H.R. 7246 be defeated for the reasons I have outlined in these remarks or amended as I have indicated.

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

Mr. LATTA. I yield.

Mr. LEVERING. As the gentleman knows, I am privileged to represent a congressional district, the 17th, of the State of Ohio. The gentleman is correct that the Soft Red Winter wheat grown in Ohio is not in surplus. It is a very high quality wheat, and I should like to associate myself with the gentleman in saying that there ought to be some separate consideration given to that type of wheat. I should like to ask the gentleman if it is not a fact that the Department of Agriculture very firmly opposes any such classification and separate consideration.

Mr. LATTA. They have so indicated.

Mr. LEVERING. I thank the gentleman.

Mr. BENTLEY. Mr. Chairman, the question of wheat legislation is of extreme importance to the farmers of my State of Michigan, where more than 118,000 farmers produce wheat. I have heard from the Michigan Farm Bureau Federation, the largest farm organization in Michigan, and am including at this point in my remarks a copy of a telegram from that organization dated June 9, and setting forth its views on H.R. 7264 as well as the Belcher substitute version:

LANSING, MICH., June 9, 1959.
HON. ALVIN M. BENTLEY,
House Office Building,
Washington, D.C.:

Present form of wheat bill, H.R. 7264, would not solve the problem. We under-

stand Congressman BELCHER will offer amendment to permit all farmers who grew wheat in 1958 to vote in a referendum covering 1960 and following crops. The choice would be between: (1) An acreage control program with supports at 75 to 90 percent, with increased penalty to apply to all wheatgrowers, except if all is used on farm where grown; or (2) no acreage allotments and supports at 50 percent. We believe Belcher amendment should be changed to make support under (No. 2) 55 percent and to put compliance on planted rather than harvested acreage.

MICHIGAN FARM BUREAU,
DAN E. REED.

On January 26, 1959, I introduced a bill, H.R. 3275, which, assuming that more stringent controls would be desirable for the wheat program, would have offered several improvements in this direction. For example, it would have changed the allotment system for wheat from acres to bushels, a step which I have long believed to be wholly desirable in the event strict controls are felt to be necessary. It would also have provided for an annual reduction of 5 million acres a year of the national acreage allotment until the total of 35 million had been reached. My bill would have excluded from this reduction all wheat which was consumed on the farm and would have eliminated the present exemption of 15 acres or 200 bushels for marketing quota provisions. I feel that my legislation meets the question of controls on a realistic basis and, as a matter of interest, am including in my remarks at this point a copy of a letter dated April 24, 1959, from the Department of Agriculture in comment thereon:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 24, 1959.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request for a report on H.R. 3275, a bill "To amend the provisions of the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and related legislation with respect to price support and marketing quotas on wheat."

While this bill is a step in the direction of a better balance between supply and demand of wheat if Congress decides on a more stringent control program, we do not favor enactment in its present form. In some respects it is an improvement over present legislation but does not go far enough.

This bill would amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, to provide that the marketing quota on any farm would be the number of bushels equal to the normal production of the allotted acres (plus the bushels on hand from previous years which could have been marketed without penalty). The maximum number of bushels eligible for price support in any year would be the normal production of the allotted acres. The bill provides for reducing the minimum national acreage allotment, beginning in 1961, by 5 million acres a year, until the minimum reaches 35 million acres. It further provides for changing the definition of "market" to exclude the feeding of wheat, and places a penalty of 45 percent of parity on the quantity marketed in excess of the quota. The bill would also repeal Public Law 74, 77th Congress, as amended, and section 335(d) of the act of 1938, thereby eliminating the 15-acre and 200-bushel exemptions from the marketing quota provisions.

The provision for limiting the quantity of wheat eligible for price support would place

an effective ceiling on CCC obligations each year. The gradual reduction in the minimum national acreage allotment would provide an orderly means of reducing the acreage seeded to wheat to a level whereby production could be more nearly brought into balance with utilization. However, we believe the standards for establishing the national marketing quota for wheat, which we recommended to the wheat subcommittee, would be preferable to any arbitrary reduction of 5 million acres per year. Permitting the unlimited production of wheat for feed on the farm where grown would offer to a feeder the free choice of growing the feed grain most desirable for his individual operations. The elimination of the 15-acre and 200-bushel exemptions would remove the unfair advantage the small wheat producers have had during the past few years to market their excess production under the umbrella effect created by the higher price resulting from the price supports available to complying wheat producers.

If the Congress decides on a more stringent control program, we recommend the following changes in the bill: (1) Repeal the 55-million acre minimum national allotment provision and provide (a) that whenever the carryover is more than 500 million bushels the national allotment would be based on the estimated domestic consumption for the marketing year for the crop for which such allotment is proclaimed, plus the estimated export for dollars for the marketing year in which such allotment is proclaimed, and (b) that whenever the carryover is less than 500 million bushels the national allotment would be based on normal supply; (2) raise the rate of penalty to the level of the support price and change the penalty provision to provide that the farm marketing excess on which penalty would be paid would be initially determined on double the normal yield per acre of the excess acres rather than the normal yield per acre. If, however, the producer establishes the actual yield on the farm, the penalty would be paid on the number of bushels by which the actual production on the farm exceeded the actual production of the farm acreage allotment. Wheat mixtures containing less than 25 percent wheat would not be counted as wheat; (3) limit the privilege of disposing of overplanted acreage to 3 acres or 10 percent, whichever is the smaller; and (4) amend the Agricultural Act of 1949 by adding at the end thereof the following new section:

"Sec. 106. Notwithstanding the provisions of section 101 of this act, beginning with the 1960 crop, the level of price support to cooperators for each crop of wheat, if producers have not disapproved marketing quotas, shall be 90 per centum of the average price received by farmers during the 3 marketing years immediately preceding the marketing year for such crop. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d) (3) and (5). The Secretary shall determine and announce the support price for each crop of wheat in advance of the planting season on the basis of the statistics and other information available at that time, and such support price shall be final."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Prior to that time, however, I had the opportunity to testify before the Wheat Subcommittee of the House Committee on Agriculture on March 12 and am including in my remarks at this time a

copy of my testimony before that subcommittee:

TESTIMONY OF CONGRESSMAN ALVIN M. BENTLEY BEFORE WHEAT SUBCOMMITTEE, MARCH 12, 1959

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you this morning in connection with my bill, H.R. 3275, a bill to amend existing agricultural legislation with respect to price supports and marketing quotas on wheat. I should like to mention that I have also introduced two other bills, H.R. 3273 and H.R. 3274 which also have to do with wheat. The first would exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm. The other would broaden the exemption from wheat marketing quota penalties where all the wheat crop is similarly disposed of. I sometimes call these the two Stanley Yankus bills. I further understand that reports have been requested from the Department of Agriculture on all three bills but that none have yet been received.

Before discussing my bill, H.R. 3275, Mr. Chairman, I would like briefly to summarize our wheat production situation as I see it today. As of November 30, 1958, our Government had the following investment under the price support program: Under loan 467, 515,973 bushels with a total value of \$853, 171,354 and in inventory—786,101,564 bushels with a total value of \$2,205,872,246. As for storage costs involved in wheat in the price support program inventory (which includes the cost of storage in the ships of the Maritime Reserve Fleet), the total storage costs incurred during fiscal 1958 were \$152,314,604. As of October 31, 1958, we had in fleet storage 48,954,411 bushels of inventory and our fleet storage costs incurred during October alone were \$544,372. As of October 31 we had in commercial storage 748,433,806 bushels and our commercial storage costs during October alone were \$13,408,192.

Production-wise, our latest estimate for the 1958 crop of wheat is 1,462,218,000 bushels for all wheat as compared with a 1957 crop yield of 950,662,000 bushels. I suppose there are two basic explanations: Our seeded acreage increased nearly 7 million acres and our yield per seeded acre went up from 19.1 bushels to 25.9 bushels. Incidentally, my State of Michigan rose from seventh to first in the Nation in per acre yield with a 1958 yield per acre of 38 bushels.

In the accounts of the Commodity Credit Corporation the wheat and wheat flour programs showed the following losses: The price support program, including the cost of donations, showed a loss for fiscal 1958 of \$126,722,853 and for the 5-month period through October of 1958 a loss of \$38,322, 076.73. The commodity export program, which represents export differential on non-International Wheat Agreement shipments paid by the CCC in cash or in kind, showed a loss for fiscal 1958 of \$84,999,924.74 and for the 5-month period through October of 1958 a loss of \$15,880,899.10.

According to the February issue of the Wheat Situation, published by the Department of Agriculture, stocks of wheat in all positions on January 1, 1958, totaled 1,816 million bushels, the largest of record for that date, almost a third larger than a year earlier and 59 percent above average. Stocks of CCC wheat included in total January 1 stocks amounted to 774 million bushels. Quantities outstanding under the price support program on January 31 totaled about 554 million bushels.

The same publication goes on to state "assuming a domestic disappearance of about 625 million bushels, slightly above the estimate for the current year to allow for fur-

ther increase in total food use, and allowing 400 million bushels for export, an increase in the carryover of almost 200 million bushels would be indicated for July 1, 1960." With this forecast for the 1959 wheat harvest at roughly 1.2 billion bushels and the addition of 200 million bushels to the record 1.3 billion bushels of wheat carryover expected this coming July 1, it seems proper to ask, Mr. Chairman, where is it all going to end?

When President Eisenhower sent his agricultural message to Congress on January 29, he included the text of a memorandum from the Secretary of Agriculture dated January 19. This memorandum offered two alternatives for consideration regarding our wheat problem, the one being relaxation of controls and the other being the so-called control route.

I will now try to explain briefly the provisions of H.R. 3275 which is intended to give the Government greater control over the marketing of wheat and still give the farmer more freedom of production for use as feed on his own farm. (H.R. 3273 and 3274 should logically also be considered in this particular connection. My bill, H.R. 3275, by which at least some of the Secretary's recommendations would be put into practice, would reduce the national acreage allotment of 55 million acres by 5 million acres per year beginning in 1961 until a national allotment of 35 million acres is reached in 1964.) Allotments for individual farmers would be converted from their present acreage allotments to a bushel allotment equal to the present acre allotment multiplied by the farm's normal yield. Furthermore, the penalty for marketing in excess of the quota would be set at 45 percent of the parity price.

I feel very strongly, Mr. Chairman, that we have reached an impossible situation in our farm program and especially with respect to wheat. To quote what a friend of mine said the other day: "I have never seen a Government program which cost so much and still made so many persons mad."

I have always felt that we have two basic alternatives in our farm program: either to remove all controls and supports, give our farmers complete freedom to produce and throw them entirely on the mercy of the market; or to keep supports at a reasonably high level and take drastic steps to curtail production. With our farm surpluses now at an all-time high, the first step would not be possible. The second alternative, therefore, at the moment seems to offer the only approach provided that controls on production are enforced. That is why my bill contains a provision for progressively reducing the national wheat acreage and other provision to put individual farm allotments on a bushelage basis. The remarkable skill of the American farmer in increasing his wheat production per acre has made the present system of acreage allotments relatively useless. I therefore believe that drastic changes in the program are required.

I again remind the committee members, Mr. Chairman, of the increase in seeded wheat acres in 1958 over 1957 and of the substantial yield per seeded acre. It seems to me that these two factors are largely responsible for the tremendous crop yield and especially for the substantial carryover. I believe that H.R. 3275 would go far toward meeting these two problems and I therefore request sympathetic consideration of it by your subcommittee.

I fully recognize, Mr. Chairman, the gravity of the present wheat situation as concerns our entire country. In Michigan, our 118,000 wheat farmers last year had an average yield per acre of 38 bushels which brought us from seventh to

first in the Nation in per acreage yield. Since, in Michigan, 85 percent of our wheat farmers plant 15 acres or less, it shows what can be done with a large number of small producers and I assume the same is true in other Midwestern States.

I think, Mr. Chairman, that, overall, our farm program has reached almost an impossible point. Frankly, I have never seen a program that costs so much and still makes people so mad. With respect to the wheat problem, I believe we have basically two alternatives: either to give our farmers complete freedom and throw them entirely on the mercy of the market or to keep our supports at a high level and adopt drastic controls. With the expected carryover of 1.3 billion bushels of wheat by July 1, 1959, a removal of all controls would really send wheat prices down to a very low level indeed. To be realistic the only choice is to continue the program but adopt steps which would control production much more drastically than is now the case. Also, I think that serious consideration should be given to fixing different support levels for different classes of wheat, thus recognizing the obvious fact that certain classes move into commercial channels more readily than others and that of the expected carryover as of July 1, nearly 75 percent is expected to be in Hard Red Winter wheat.

However, we are faced at the present time with a choice of H.R. 7264 or the Belcher substitute, neither of which I regard as wholly desirable from the standpoint of wheat legislation. I cannot support the committee bill because of its reversion to high support levels even though I do approve of the individual acreage cuts. I also disagree with the committee's provision that forbids the vote in the wheat referendum for those who have an exemption of 15 acres or less. Of the two bills presently before us, I must say that I prefer the Belcher substitute because it does extend the vote to all wheat producers. I recognize the fact that the repeal of the 15-acre exemption will work for a hardship on many small Michigan farmers who are dependent on wheat for their rotation programs and for a cash crop. However, the fact that the passage of this bill would give all wheat producers the right to vote in a wheat referendum on the question of approval or disapproval of marketing quotas does seem to me to have considerable attraction. In summary, I do not like either the Belcher substitute or the committee bill but, if forced to make a choice, I would prefer the Belcher substitute in spite of the hardship that I know many small wheat farmers will be faced with by the loss of the 15-acre exemption.

Mr. PELLY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record and to include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, I am no friend of price supports and consistently vote against legislation to continue costly and ineffective programs such as are provided in this wheat bill. Frankly I feel Secretary of Agriculture Benson has the right idea in trying to get Congress to adopt a policy of gradual Government withdrawal from agricultural acreage allotments, subsidies, and high farm price supports.

The farm bloc, however, has stuck together and resisted attempts to eliminate wartime emergency policies designed to increase production. Congress has tied Mr. Benson's hands and the consumers and taxpayers of this country are footing the bill. No special group has ever had such a boondoggle as the peanut, tobacco, cotton, wheat, corn, and rice agricultural commodity support program and this has been in the face of polls which show the majority of farmers are opposed to these Government control programs. The wheat program alone has cost the taxpayers \$5 billion.

Recently, certain Members of the House who have city districts openly appealed to rural Members of the House to support public housing, slum clearance, and subsidy programs for big cities. Reciprocal support on measures for the farmer such as this wheat bill was promised. Some back scratching arrangements are not in the public interest and, for one, I will not have any part in them.

The fundamental question before us today, it seems to me, is this: Are Members of Congress going to continue burdening the Federal Government, the taxpayer, and the consumer with a vast program of farm subsidies that continue to grow? Do we support a wheat policy which channels 80 percent of the benefits into the bank accounts of some 1,700,000 prosperous farm proprietors or one-fourth the total of all farmers?

The cost of purchasing and storing commodities is staggering. I have read that a mechanized farm operator produces wheat for as little as 60 cents a bushel. The way things are going the Government will be absorbing millions of bushels of this wheat at \$2.13 a bushel as against \$1.81 now. Already the Commodity Credit Corporation has one and a half billion bushels of wheat valued at \$3.5 billion in storage. Our rental bill for this storage runs about \$400 million a year—more than \$1 million a day.

Mr. Chairman, I read the other day that farm co-ops and the farmers themselves are in the storage business. The profits on this storage are unconscionably huge.

One organization in Minneapolis was cited recently as receiving nearly \$3.5 million a year for grain storage from the Government. One-fourth of this association's profits came from the Government. It spent \$2 million on a propaganda program seeking higher price supports and in election of candidates favorable to its views. As a cooperative, as against a private corporation, this organization had a tremendous tax advantage.

Mr. Chairman, I believe that our agriculture cannot benefit under policies that have created huge surpluses. We must come to grips with the problem and instead of temporizing and dealing with wheat quotas and price supports as in H.R. 7246, we must come up with a permanent answer. We must free the farmer from Government planned security and high-level wartime price guarantees. I trust we can get back to the law of supply and demand with farmers running their own business operations.

The economy of our farmers is important to the Nation, but the Government is paying out about \$1,000 per farmer, and the consumer and farmer alike will be ruined if we go on as we have been doing.

I will vote against H.R. 7246, the wheat price support bill now under consideration.

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I would like at this time to point out that in the committee bill, H.R. 7246, there is proposed a partially new adventure as far as farm programs are concerned. The aspect of payment in kind is an aspect which is at least partially new. It was in the old Soil Bank Act. In that act there was a provision whereby under certain arrangements payment in kind could be made. But under the provisions of this bill, payment in kind is a very definite aspect and part of the program. I believe it is one of the items that is most favorable as far as this bill is concerned. The reason why I say it is because here and now for the first time, the Congress of the United States is laying it upon the line saying, "Now we are going to make the surplus help pay its own way out."

By passing this feature of the bill we can quit talking about the bugaboo of the surpluses and saying that they always and forever depress prices. Instead of having a surplus of dollars, which we do not have in the Treasury of the United States, we can use the surplus of the bushels of wheat that we have and say, "Here, Mr. Farmer, we are going to pay you these bushels for not planting grain." This is a part of the real and true aspect of this bill. It can be totally defended. This means the farmer gets one-third the normal yield on his farm on those acres which he has laid out of production. This is geared to the farming unit on which the farmer operates. The farmer knows what his last 3-year average yield has been. He knows what he can depend upon.

He is taking a 25-percent reduction or cut in his acreage and this one-third payment in kind is fundamentally a pittance to be given him. This cross-compliance payment in kind measure is by far better than laws we have passed in previous years saying that we are going to reduce the acreage of a commodity only to let that same farmer plant those same reduction acres to every other commodity under the sun. This is a cutback and it is saying, "You cannot produce any supported item—

you cannot produce any commodity that is under price supports by the Federal Government." Here is the real way to get a reduction in these surpluses of wheat and make the surplus pay its own way out. Let us lay it on the line. Let us keep cross-compliance payment in kind in this bill.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, since 1952 there has been a build-up of stocks of wheat which is estimated to reach 1.5 billion bushels by July 1. During the same period, the Secretary of Agriculture has been steadily reducing the price supports for farmers. In other words, as price supports declined, surpluses increased.

Various Republican spokesmen have maintained that high price supports were an incentive to produce more. History and records prove quite the contrary. The lower the price, the greater the incentive to produce more bushels to make up for loss of income. So today we are faced with this problem of surplus, with storage charges on Commodity Credit wheat in the amount of approximately \$1 million a day.

Regardless of whose fault it is, the situation demands the attention of Congress.

Mr. Chairman, this bill is in the national interest. To cut production 25 percent in North Dakota, which is composed principally of family and moderate sized farmers, is a drastic cut. It will cause a great deal of hardship. But I think most farmers believe production must be cut in the national interest. Ninety percent of parity on the 75 percent of production remaining, and the payment in kind, is provided to compensate the farmer to some degree for the drastic cut in production.

Extravagant statements have been made about large farmers. The average wheat allotment in North Dakota is 99 acres. Average per capita farm income in the Nation is \$1,027, about half the national average income per person.

What we have here is emergency stop-gap legislation. It is designed to decrease production and reduce surplus. It will cut wheat acres from 55 million to 41 million.

Many of my colleagues may have different ideas about a farm program. This is not the farm program I have proposed. But the simple fact is, that today we have this choice and this choice only. Do we continue the present legislation into 1960 and 1961 or do we adopt this legislation and cut production down from 55 million to 41 million acres in 1960 and 1961? Do we continue to add to our surplus stock, or do we begin to cut it down? If we continue the present program, more surplus will accumulate and more storage charges will result. This bill will stop the accumulation of surplus and at the same time reduce present Government stocks at the rate of 90 million bushels a year.

To restore supports to 90 percent of parity is a minimum necessity if we are to preserve historic American agricul-

ture. You can imagine the dire results in the cities if workers received a cut of 25 percent in wages, or if businessmen received a cut of 25 percent in business. Such a cut in wheat production, without a corresponding increase in price, will, in my opinion, bankrupt thousands of farmers across the length and breadth of this land. When agriculture, the basic industry of this Nation, is prostrate, it will trigger a national depression that will make the 1930's look insignificant.

To some of my colleagues from the cities who have said that farm legislation is not important to them, let me say that you do have a vital interest. The original wealth created from the soil provides purchasing power. This purchasing power in turn stimulates business and provides jobs. Just as I support measures directly affecting the urban areas as being in the national interest, I ask my city friends to support this legislation in the national interest.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I am glad that I do not have the responsibility of defending the wheat legislation that is presently the law of the land or the present situation with respect to wheat. I am supporting the committee bill, and I would remind those on the other side of the aisle who are opposing the committee bill that, if they oppose this bill it is their obligation to defend our present situation with respect to wheat. It is your obligation, my Republican colleagues, in the first place because the program has been under the administration and management of your Secretary of Agriculture during the time that we have gotten into our present deplorable situation. In the second place it is your responsibility to defend the existing law, because when today is over we will have made a choice between the committee bill and the existing law. As we are operating under present legislation today, surpluses are continually building up. Under the committee bill we will be taking a step in the right direction, that of reducing the surpluses and the staggering storage costs accumulating under our present wheat program.

Mr. Chairman, there are 4,810,000 farm families and 5,178,000 farm households in the United States. They have \$186.7 billion invested in their farms and equipment, an average of \$32,000 investment per household. Farm income in 1958, Mr. Chairman, according to the Bureau of Census, was \$2,490 per family, and the nonfarm family income in the same period was \$5,232 per family. In other words, on an average then, a farmer puts up \$32,000 in capital in order to buy his job; he gets no return on his investment; and then for his own work and that of his family he gets less than half as much income as the average nonfarm family. The fact of the matter is, Mr. Chairman, that the farmer is not receiving his fair share of the national income. When we get a new administration we can write some

legislation to redress the great injustices that exist. In the meantime, I trust that my colleagues will accept the committee's very effective start on one of the biggest problems of all, the mounting surplus of wheat.

I represent one of the largest wheat districts in the United States and I want to say that this bill does not mean more money in 1960 and 1961 for the wheat farmers. If the Congress turns down this bill my farmers may well make more money next year than they will if you accept the committee bill.

We from wheat areas support the committee bill because we realize we are going to have to quit producing for surplus and produce wheat in amounts that can be consumed. This bill makes the necessary adjustment without undue hardship on the wheat farmers.

We are going to vote for the committee bill because it will in effect start eliminating our production for surplus and start reducing stocks of surplus already on hand. The Library of Congress estimates that this committee bill will reduce Government costs by \$528 million in the 2-year life of the bill. The taxpayer will receive other indirect benefits such as that due to the appreciation in value of Government stocks of wheat.

The arguments I will have to take back to my people in Montana when I go back to report to them on the committee bill is that it may mean less money for them next year than they would have if we turned down the committee bill, but at least we are doing our best to meet the demand of the taxpayers for lessened cost of support programs, and we are willing to take our part of the monetary sacrifices in the interest of the taxpayers and in the interest of a long-term satisfactory program for agriculture. In the long run, both the farmers and the taxpayers will come out ahead.

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

Mr. ANDERSON of Montana. I yield.

Mr. HOEVEN. I was interested in the gentleman's comments with respect to responsibility for the surplus situation as it exists today. Let me remind the gentleman that through 13 of my 17 years in this House the Democrats have been in complete control of Congress. Why, then, have not the many Democrat Congresses worked out a satisfactory program? Furthermore, the gentleman made no reference to two wars that intervened which were largely responsible for the accumulation of the surplus in the first place.

Mr. ANDERSON of Montana. I would reply to my friend from Iowa that the situation has grown to its present difficulty since we had our present Secretary of Agriculture, and that the surpluses have been built up almost entirely during the maladministration of the program by the present Secretary of Agriculture and since the two wars to which the gentleman refers. All of the farm programs together from 1932 to 1952, a period of 20 years cost less

than Mr. Benson spends every single year. The wheat program showed an actual profit to the Government for the years before Mr. Benson took over.

As to the gentleman's query as to why the Democratic Congress has not corrected the situation during the past 6 years I would say there are two reasons. In the first place the Secretary is determined, by maladministration and misadministration, to make sure the program does not work, and I will say to the gentleman that it is almost impossible to write legislation that cannot be nullified when the President and the Cabinet officer in charge of the program are determined to make it fail. In the second place, notwithstanding the protestations of the minority leader to the contrary, it is pretty hard to write good legislation with the constant threat of a Benson veto to be rubber-stamped by the President. Most of us are convinced that any good constructive farm legislation passed by the Congress between now and November 1960 will be vetoed by Benson-Eisenhower.

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

Mr. ANDERSON of Montana. I yield to the gentleman from Kansas.

Mr. AVERY. I do not believe there is any use to further debate the merit or lack of merit of the Secretary of Agriculture. I would like to ask the gentleman for his opinion, because I respect him as an authority on wheat production, particularly in the Western States. Assuming the committee bill is to be accepted by this body and by the other body, how much of an actual reduction in wheat production does the gentleman from Montana anticipate might occur?

Mr. ANDERSON of Montana. The best estimate, it seems to me, is the one made by the Library of Congress, which is something like 480 million bushels of reduction in the biennium.

Since the gentleman from Kansas raises the question, let me speak about the discrepancy which exists between the estimates on the part of the Secretary of Agriculture and the Library of Congress. The Department of Agriculture and the gentleman from the other side of the aisle have generally based their argument on the claim that by putting on more fertilizer and by writing off the acres that are less productive, we will continue to up our production per acre. The point has already been made that we have gone just about as far as we can in that direction and further large increases in yields, except those arising from unusually favorable weather conditions, are unlikely. In addition the penalty provisions are made much more strict so that we will not have the wanton overseeding which has contributed so much to our surpluses in the past.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I want to earnestly request my colleagues to vote for this wheat bill, H.R. 7246.

H.R. 7246 can rightfully be termed emergency legislation to meet emergency conditions. There can be no doubt that

wheat is in serious difficulty. From the standpoint of the wheat producer, there is the growing danger, should the present situation continue without change, that the people will demand an end to the entire price support program. It takes very little knowledge of agriculture to understand what such a step would mean. Prices would drop to a point that would bring bankruptcy to farmers throughout the wheat producing areas.

H.R. 7246 offers a two-year program. It is not a panacea, but it does offer the means whereby we can fight our way out of the present difficulties.

Stated simply, H.R. 7246 will do two important things: First, it will reduce production of wheat to a point where some of the surplus will have to be taken out of CCC stocks to meet the demands at home and abroad; and, second, it will maintain the income of wheat farmers at a level high enough to keep him in business.

The first point is vitally important, Mr. Chairman. Wheat farmers are among the first to acknowledge that present surpluses are entirely too large. They realize that production will have to be reduced or new uses found to bring supplies more in line with demand.

I am convinced that a vast majority of commercial wheat farmers will accept the rather painful formula contained in H.R. 7246 for achieving a substantial reduction in production. The bill provides for a reduction in each farm allotment—based on a national allotment of 55 million acres—of 25 percent. That, Mr. Chairman, would remove 13,750,000 million acres of good wheat land from production. The best estimates available to the Committee on Agriculture place the reduction in production at 240 million bushels annually.

This bill also, Mr. Chairman, recognizes that a real economic problem is involved in such a drastic reduction in acreage—particularly in view of the fact that wheat allotments have declined from 84 million acres in 1949–50 to 55 million acres today. Wheat farmers, along with all other farmers, are going through a painful cost-price squeeze. I seriously doubt—and I speak from my experience as a wheat farmer—that wheat farmers could stand such a severe acreage reduction without some compensation in the form of higher price supports.

In this bill we have provided that as acreage is cut back 25 percent, the support level will be adjusted upwards to 90 percent. I have heard the complaints from some Members of this House to the effect that we are going back to a discredited system of high, rigid price supports. But I urge you to look upon this legislation—and the problems of the wheat farmer—with an open mind.

If the wheat farmer is willing to assume further reductions in acreage in an effort to get at what he realizes is a difficult national problem, should not other segments of the national economy be willing to ease the burden for him a little? Does any Member of this House really believe that you could cut back

wheat acreage another 25 percent, while maintaining support levels at 75 percent of parity, without bankrupting the wheat farmer? Of course, you do not believe such a thing. Therefore, I urge you not to close your mind to a 90-percent support level. This is emergency legislation. We are acting here to meet a serious, specific problem—we are not legislating for agriculture as a whole.

Let me point this out, too. The bill specifically states that this 25-percent reduction would not be eligible for the soil bank or for planting to any crop subject to price supports. That, my friends, is cross-compliance. The fact that the bill does provide that growers who do not grow any crops and do not graze the land would be eligible for payments in kind—equivalent to one-third of the annual production for the last 3 years—does not hide the fact that the bill calls for tougher controls than those presently imposed on any crop.

I also earnestly request Members of this House to consider the fact that wheat producers have always faced a much tougher situation than producers of other crops under control. Anyone has been able to raise wheat for the commercial market. The 15-acre exemption has enabled farmers who specialize in some other controlled crop to earn a cash income from wheat.

It is a fact, Mr. Chairman, that a large portion of the present wheat surplus was produced in noncommercial wheat areas. About 100,000 new farmers have planted wheat each year under the 15-acre exemption. This is not wheat produced for use on the farm, but wheat produced for the commercial market and marketed without regard to laws which govern wheat farmers.

I would remind you that a wheat farmer in my area could not plant cotton or peanuts. For example, his penalties would be so high as to make production uneconomical. I remember once that a farmer in my district planted some of his diverted wheat lands to peanuts. After long involved negotiations he was told he would have to post, in cash, a penalty of \$8 per ton on the peanuts before he could harvest them. The market price was \$10. The farmer plowed under the peanuts.

I cite these facts, Mr. Chairman, merely to point out that all of the present wheat problems are not the fault of greedy wheat farmers. Sources outside the historic wheat-producing areas have contributed materially to the present wheat surplus.

I am not going into a section-by-section analysis of H.R. 7246. The committee chairman, Mr. Cooley, Mr. Albert and other members of the committee have thoroughly acquainted you with details of the bill.

But I do want to stress that this legislation would reduce the cost of the wheat program to the taxpayers by \$528 million during the 2 years it is in effect. I hope that members who represent urban areas will remember this fact.

There is widespread concern among taxpayers over the cost of agricultural

programs. Unfortunately, these people are given a diet of information consisting more of fiction than fact. They are told that direct subsidies to the farmers amount to several billion each year. This is simply not true. Every expenditure of the Department of Agriculture, including those of research and education, are classified as subsidies. It is regrettable that so much misinformation is spread about the farm programs. The problem is difficult enough without being complicated by misstatements and misinformation which serve only to turn the consumer against the farmer.

I realize, Mr. Chairman, that anyone appearing in the well of this House to plead for farm legislation is facing a difficult job. But I urge you, I plead with you, to consider this wheat bill with an open mind. Read the committee report. Study it.

If you do, I believe you will agree that H.R. 7246 is sound interim legislation adequate to meet a specific emergency need. I would like to remind you that this legislation will enable us to make a significant start on reducing present surpluses of wheat. It does this by cutting acreage back more sharply than ever before in the history of this program. It would bring about substantial savings in the cost of the program and it would protect wheat farmers from undue hardship during this transition period.

This is not perfect legislation. It is not the final answer to the wheat problem, but it is workable legislation. It will meet a pressing need, and, Mr. Chairman, I am convinced that it will be accepted by wheat farmers as the price they must pay in getting their own house in order.

I sincerely trust that Members of the House will support this legislation.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I want to say that it seems to me the time has come when we should start talking about things other than political considerations. That seems to be about half of what we have heard on this floor this afternoon. The time has come when, as the chairman of the Wheat Subcommittee said, the House should exercise its responsibility in this field.

Let us look at the agricultural economics involved. It is very simple. Either you set a price that will give a reasonable profit per bushel and keep your supply in line with that price or you do not have a balanced market and let overproduction bring low prices and high fluctuations in price. Go one way or the other.

The gentleman from Oklahoma [Mr. BELCHER] tinkers not only with one end, he tinkers with both ends of the spectrum. He fails to keep production lower than consumption. And that is not enough: "He would keep the price low enough so you cannot make a reasonable profit per bushel."

You cannot operate under that theory and be within the necessary criteria to

have sound agricultural economics. That is no way to do it.

As to the 15-acre limitation, there has been a lot of tears shed here about that, as if someone is stealing something. I want to mention to you that the feed grain farmer is the man who has been forgotten in the debates we have been hearing and under present legislation and administration of that legislation. What happened when acres were taken out of tobacco? They were free to put it into feed grains. What happened when they took acres out of cotton? They were free to put it into feed grains. What happens when they take acres out of wheat, 28 million acres in the last 10 years? They are free to put those acres in feed grains. That is exactly what has happened. Look at the buildup of sorghum grain, barley, and so forth. Do not feel so sorry here about giving the feed grain farmer a 15-acre exemption. I implore you from the feed grain area, stand behind the feed grain farmer until we can get some reasonable and decent feed grain legislation and administration. I am introducing a feed grains bill within the next day or two. I hope each Member of this House will keep in mind the dire need for new feed grain legislation and help secure enactment of the bill I am introducing or a better one.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Chairman, like many others from the midwestern wheat country I was quite disappointed that the wheat stabilization bill which I sponsored, along with many others from our area of the Nation, did not get further than the Agricultural Committee. However, I think at this stage that the important thing is no longer to get the most ideal bill but rather to keep the wheat program alive and well. This can be accomplished by the bill, H.R. 7246. I do not support this bill with the same enthusiasm with which I approached the wheat stabilization program sponsored by midwestern and western wheat farmers and my colleagues in the House, but I do support the present measure.

There are two very basic problems concerning wheat production in this country. One of these is to achieve and maintain an adequate income for the wheat farmers. The second basic problem is to cut production. There is a third major problem—and that involves the disposal of present surplus stocks. This problem would have been handled by the wheat stabilization program which I sponsored and will not, really, be fully solved by this bill. However, this bill does have the advantage that it will in all likelihood not allow new and greater surpluses to be built up.

This wheat bill has a very distinct advantage over many other proposals which have come to the Congress in recent years. It will cut production sharply, while at the same time guaran-

teeing an adequate price for that wheat which is produced. The bill provides for a 30-percent cut in production on most of our wheat land. This in itself is a good idea because we do have an overabundance of this commodity in bins. However, I think the 30-percent cut is a bit too steep and will, in effect, cut the income of the average wheat farmer despite the high guaranteed price support for that which he does produce.

I have long favored the 90 percent of parity support price for wheat. That portion of this bill I consider to be good and to be of real benefit to all wheat growers in the Nation.

I would like to make two more points. One is that this bill does not kill off the little fellow, the man who does not plant vast expanses of wheat. There are certain proposals which will be offered that would in effect eliminate the small producer. This would be disastrous to our national economy.

The second point I would like to make—and here I address myself primarily to my colleagues from the cities, the gentlemen who represent primarily the consumers rather than the producers of this commodity. During the past few years the price of wheat has dropped steadily. The overall decline in wheat prices has been drastic and dangerous. However, while wheat was falling by a dollar a bushel, the price of bread in your corner grocery store has gone up 14 cents a loaf. What has caused this is debatable and controversial. However, I think all consumers should remember this point. The cost of bread is not necessarily based on the price paid for its principal ingredient, wheat. In fact, just the reverse is true. The cost seems to be pegged by some altogether different factor.

For these reasons, then, I have decided to support the wheat bill, H.R. 7246, which is presently before the House. As I said, I cannot find it in my heart to support it as fully as I have the alternate wheat stabilization program; but I do support it and I do recommend it to the sympathetic consideration of my colleagues in the House. I think H.R. 7246 should pass.

Mr. LANGEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LANGEN. Mr. Chairman, we have before us in debate a bill which deals with the wheat problem and the wheat farmers, but one which, I should hasten to add, has a great significance as well to the taxpayer and the consumer. Because of this magnitude of significance, it is with some reluctance that I offer these observations, for I know that the members of the Agriculture Committee and the Wheat Subcommittee have devoted many hours of very diligent and sincere effort to the drafting of this bill. For their contribution to this difficult and complex problem they are surely to be complimented.

But I should be remiss in my duties were I not to offer some observations on this measure, for the Red River Valley in my district is one of the great spring wheat producing areas of this Nation, and in addition, this bill concerns a problem with which I as a person have probably been closer associated and have had more experience over the years than any other.

Surely it is not necessary for me to emphasize the need for legislation in this field, for the very fact that the farm income has been constantly dropping and the fact that we today have a wheat surplus amounting to over 1¼ billion bushels, surely emphasizes sufficiently the need. It is with some hesitancy that I support the bill in its present form, for in my humble opinion it does fall short in several instances of offering an adequate solution to the wheat problem. The complexity of the wheat problem, of course, is such that it is most difficult for anyone to come up with a solution that would be adequate in all instances. I should hope, however, that I should find not too much argument were I to say, as I have said on a good many occasions, that the ideal solution would be one which would offer to the wheat farmer for his efforts in the production of wheat, a fair and just return and to do so with the least amount of Government expense and the very least amount of Government regulation.

May I discuss the bill in the light of these objectives. First, the bill provides for a compulsory reduction in the wheat acreage allotment for each farm by 25 percent below that established in accordance with a 55-million-acre national allotment. In return, the wheat farmer will receive an increase in the available price support to 90 percent, or a 25 percent reduction in acres for a 15-percent increase in price. In addition, he will be eligible to receive a small payment in kind under certain regulations. These provisions, however, still amount to a reduced income from the production of wheat for the individual farmer.

I think it is well to point out at this time that the wheat farmer has already made a reduction of 30 percent from his normal production in order to be in compliance with the 55-million-acre national allotment and so, in reality, has now made a reduction of over 50 percent from his normal seeded acreage. This, of course, is bound to mean a substantially reduced income from the production of wheat, and when we add this to the reduced income which he is bound to receive from the production of other crops on which price supports have recently been reduced, it, of course, can mean nothing else but a substantial reduction in the total income to the small grain farmer. This he is forced to accept, together with more controls and a substantial increase in the penalty for excess seeding. I am wondering how many more reductions in income the small farmer can stand, together with more controls, and still be able to meet the continuous increase in the cost of production, without being driven out of business entirely.

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I think it is well to note at this point that while the wheat problem seems to be a very severe one at the moment, maybe over the years it isn't quite as severe as it may look at first glance. When we look at the record of statistics that have been published by the Department of Agriculture, we find that during 3 of the last 5 years the wheat producer produced less wheat than we have disposed of through domestic use and exports. Therefore, weather conditions and other factors beyond the farmers' control play a substantial part in the amount of wheat that is produced each year—factors which are again going to play a part and which will serve to prove that all crops are not going to be as large as the one we experienced in the last year of 1958, which was the largest in our Nation's history. I am wondering if under these circumstances we are justified in compelling the wheat farmer to accept further reductions in his income and stricter controls.

May I call your attention to one other feature of this bill which, in my estimation, is inadequate. It has been said that the bill provides for the farmer a choice of whether he wants to continue to operate under a system of strict controls with a higher price support or whether he would rather want to operate without controls and a low price support. The bill provides for a referendum in which the farmer decides whether we are to have marketing quotas and a reduced acreage together with 90 percent price supports. If this referendum is turned down, he would then be offered no controls and a support price of 50 percent of parity. May I take just a moment to point out the significance of this choice.

If the referendum is turned down and he then is forced to operate under a 50-percent support price and no controls, it would mean that, if he were to receive exactly the same amount of dollars that he would receive under the marketing quota, he would have to increase his production in bushels by at least 75 percent. In addition, he would have added operating expense, and so the final result would still be a reduced net income, even with a 75-percent increase in his production. Now, may I ask what kind of a choice that offers the wheat farmer or what kind of a solution that offers to the wheat problem? For, actually, the farmer is faced with the problem, in the event that the marketing quota is turned down, of having to increase his production of wheat by over 75 percent in order to even maintain his present income. So we can readily see where this would tend to not only further reduce the income but further irritate the surplus problem. I wonder how many of the other segments of our population, whether they be white-collar workers, businessmen, or a segment of our labor force, would be willing to accept a choice like that in these days—a reduced income no matter which choice he makes, while, in comparison, the income to those in other fields of endeavor is constantly increasing.

One of the factors that I find lacking in this bill, which to me is most significant and important in arriving at the

adequate and proper solution to the farm problem in general, is that of diverting to the farmer himself a part of the responsibility for the solution of this problem, as well as the opportunity that he so desperately needs to adjust his income to the point of where it will at least compare with the constant increase in the cost of his operations.

Early in the session I did introduce a bill which provided for the incorporation of these factors into wheat legislation. I have since offered comparable legislation applicable to all of the other small-grain crops. These bills have for their purpose the placing of the responsibility to voluntarily reduce the production directly on the farmer himself, and for his contribution provide the opportunity to improve his income. I should express my pleasure at the recognition that these features were given by the Wheat Subcommittee and, more particularly, the recognition that was given to these principles by the other body, in that they have passed a bill which does incorporate these principles but, because of other provisions being left out, still falls far short of the mark. Because of the extent to which these principles have already been recognized, I am not going to offer an amendment to the bill; but it is my hope that, before all the deliberations are over in this House and in this conference, these provisions might be adopted.

It is not my purpose to plead the cause of the American farmer in the sense that he becomes even more dependent upon Government for his existence, but it is rather my purpose to plead that he might be given the opportunity to shoulder his responsibility with a just return for his efforts. I have a great deal of confidence in the ability of the American farmer to do so if he is given the opportunity—an opportunity that he has been promised a good many times over the past several years.

In conclusion may I say that my support of this bill is generated only because of the real need that something ought to be done to relieve the situation that presently confronts the wheat farmer and this Nation. It is my hope that Congress may continue to seek to find a more favorable and adequate solution that will bring to the American wheat farmer additional opportunity to improve his income to the point where he will receive a just share of the national income and to do so without being further hampered by restrictive Government controls and penalties.

Mr. HENDERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HENDERSON. Mr. Chairman, the legislation before the House today presents the farmers of southeastern Ohio and their representative with a choice. As I interpret their philosophy on the subject of governmental intervention in farming, they would approve less and less of it, to the point of complete removal of controls, even though

that might mean less monetary benefit to them.

The provisions of existing law, which permit them to raise up to 15 acres of wheat without restriction, as well as without subsidy, pleases them for the reason that, within the limitation of 15 acres they are free to operate as they wish. The committee bill would reduce that exemption to 12 acres. At the present time, they have no voice in the farm subsidy program. Only those larger producers of greater than 15 acres are permitted to vote and because they are the ones who, on a dollars-and-cents basis, are more benefited by the program, historically, the larger farmers who do vote, vote to continue it. The Belcher substitute would eliminate the 15-acre exemption completely but, in giving those smaller producers the right to vote on the program, the smaller producers will gain the numerical majority, which will, in the absence of an improbable congressional action to curtail farm subsidies, eliminate controls entirely.

In one other particular, the committee bill is wholly unacceptable; namely, the provision for payment of subsidies at 90 percent of parity, while reducing acreage allotments by 25 percent. Such a plan will further regiment the farmers of America, while implanting ever deeper into our system of government a perpetual plan of price supports. What is needed is a plan which will reduce the supports and will eventually lead us out of the maze of regimentation and control.

The Belcher substitute is a step in that direction. It provides for a gradual reduction, as well as the right of more universal assertion on the part of those who are affected. Both the committee bill and the substitute include a provision which I have long favored and advocated. That is the provision which will permit unlimited production of wheat where it is used by the producer for feed or seed. Such a provision follows the philosophy of legislation which I introduced in the 84th, 85th, and 86th Congresses. In the 85th Congress a partial step was taken in this direction by providing a limit of 30 acres. The legislation now before us goes all the way and removes the ceiling completely.

Mr. Chairman, the people of the United States have the right to expect this Congress to provide them with a workable farm program and one which will lead to the eventual elimination of the costly, ineffective system of controls which has marred our otherwise progressive economy.

Mr. HOEVEN. Mr. Chairman, I yield the remainder of my time to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, I think we should start at the beginning. First, we must admit there is actually no such thing as a domestic farm problem. The problem is rather a foreign policy problem, which, to solve, we have resorted to forcing our domestic producer into competition with the foreign producer.

Let us take just one product for an example. Let us take wool. You know, or should know, that today we are pro-

ducing less than one-third of the wool that is actually processed and consumed in this country—and yet, because wool is a commodity that is susceptible to international trade, we are forced to provide a wool support or wool subsidy program in order to provide the domestic wool grower with a cost-of-living price so that he can buy groceries for his family.

Listen, my friends, if there were a protective tariff on wool so that the American farmer could know he would be able to furnish just the domestic market the farm surplus problem would be solved. The acres that are now producing surplus wheat, corn, cotton, and tobacco would be converted to the production of wool and there would be no need for any kind of soil bank program to take acres out of production.

Let us take another example. During the past 10 years we have imported 3,651,000 head of live cattle, the production of which would in itself have taken one-fifth of the basic wheat acres. We have imported over 13 million live hogs. In addition, during the past 10 years we have imported over 2,022 million pounds of beef and veal, almost a billion pounds of pork, and 46 million pounds of lamb and mutton. Since the reciprocal trade extension went into effect last July, beef, lamb, and pork imports have been increased from two to five times the previous rate; if you think we have a farm problem now, wait until these accelerated imports take effect.

If the American farmer had used American acres to produce this meat and meat products, there would be no farm surpluses of anything today and no need for any farm support prices.

Another thing, if the American farmer were permitted to produce just a part of the 39 million short tons of sugar imported annually, it would take up many thousand more of the acres we are worrying about taking out of production.

Let us take another example. When the Department of Agriculture announced reductions in price supports on barley, oats, rye, soybeans, flax, and grain sorghums, which would reduce the cash income of the American farmer in 1959 by 17 percent of \$436 million as compared with 1958, figured on an average crop in 1959, our colleague from Minnesota [Mr. LANGEN], introduced a feed grain support bill in Congress.

His research on imports and surpluses of barley and oats disclosed that according to the Department's own figures, the American farmer has produced no surpluses in these two crops in the past 10 years. True, we do have a surplus of 200 million bushels of barley and 275 million bushels of oats, which costs the American taxpayer approximately \$26 million a year in storage and which, because of its existence, is depressing the domestic price of these two commodities. On the other side of the ledger, however, we find that in the past 10 years this Nation has imported, mostly from Canada, 224 million bushels of barley and over 344 million bushels of oats. And yet—my friends—the American

farmer is being blamed for the surplus and the cost of storage.

Now—just for a short minute—take the monkey off the back of the American farmer and place it where it belongs.

So long as it is the foreign policy of this Nation to trade the products of domestic labor and industry for foreign-produced farm products, then let's be honest enough among ourselves to admit that this is a foreign policy problem and not a domestic farm problem. Let me say this—if through reciprocal trade and reduced tariff policies we continue to dump foreign farm production into this country, then there is no hope for the American farmer except a tax subsidy. If, however—instead of increasing imports we decide to protect American agriculture with tariffs and quotas, then the farm problem is solved in one year and the farmer will be once again returned to his status of a free market and a free opportunity to live as an independent operator in a free enterprise system.

WHEAT

There is no wheat problem. If the program of the National Wheat Producer could be enacted so that the wheat producers of the Nation could raise the wheat that is used in domestic consumption and protect their price for that portion through the sale to those who consume the wheat products, instead of being forced to go to the taxpayers generally—there would be no wheat problem. The wheat growers would gladly handle their own program with very little expense to the taxpayer, but this is not possible because the corn and other feed grain producers of the Nation are fearful of wheat going into competition with their products—so the wheat farmer of the Nation must take what is handed to him.

So far as wheat legislation is concerned, there are as many solutions as there are students of the problem. There are, however, two principal schools of thought. One school of thought is that the program should embrace high supports with strict production controls—the other that there should be no limitation upon production and only a protective floor under the support price.

The committee bill gives the wheat farmers of the Nation the choice between those two philosophies to be determined in a referendum vote. There are features of the committee bill with which I do not agree. For instance, if there is to be a 25 percent reduction in acreage, it should be a 25 percent reduction. The provision permitting the operator to receive wheat "in kind" from the CCC supplies in storage will have a price depression effect if permitted to be dumped on the market.

On the other hand, the substitute bill is even worse, in my judgment. The committee bill limits the referendum vote to the wheat farmers of America. The substitute bill permits all farmers, raising not more than 15 acres to vote on a program which does not, and should not, affect them.

In an effort to reduce production, the legitimate wheat farmers have already

taken a 30 percent cut in their acreage. The 15-acre free loaders who have become the barnacles clinging to the bottom of the wheat program vessel are today producing 680 million bushels outside the farm program, in other words, just about the amount of the annual wheat surplus production. Why should these 15-acre free loaders write the program for the wheat farmers of the Nation?

The difficulty is that the historic wheat area of the Nation, much of which cannot successfully produce any other cash grain crop, is having its program written for it primarily by farmers who never produced wheat until controls on other crop production forced them into wheat production. If, however, the State Department is going to write this farm program for the American farmer, then possibly the 15-acre freeloaders may as well write the wheat program for the wheat farmers.

The only solution to all of these entangling messes is to give the American farmer the production of American consumption. If that is not possible, then I suppose we have no alternative other than to resort to production subsidies with the taxpayer being called upon to pay the price of our foreign trade policy.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, in concluding this debate, which I think has been very interesting, I want to call attention to one communication from the U.S. Department of Agriculture of recent date. The headline is this, and I address the city Members of Congress: "Farmers' prices do not govern bread prices." This is an official statement coming from the Department of Agriculture. Now, here is a chart in a publication issued by our committee on June 1, 1959, on page 3, showing how bread prices in recent years have continually gone up at the very same time that wheat prices to the farmer have continually gone down. So, I do not think any Member representing an urban area has any reason to fear that this bill here now before us would in any way affect his constituents.

Mr. Chairman, I want to conclude by saying again what I said to begin with, that this is the one great problem of American agriculture. The President is disturbed about the wheat situation; the Secretary of Agriculture is disturbed about it; all of us are disturbed about it. The taxpayers have a right to be disturbed about it, because we have over \$3 billion invested in wheat.

Wheat, as a commodity in my own congressional district, is not of great importance. But, when I see men, for instance, like the gentleman from Kansas [Mr. BREEDING], the gentleman from Montana [Mr. ANDERSON], the gentleman from Iowa [Mr. COAD], and these other people from the great wheat-growing areas of America willing to accept the terms of this bill, as drastic as it is, certainly I feel inclined to go along with it and support the program.

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

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

Mr. HOEVEN. I hope my good chairman will not include Iowa as one of the great wheat-producing States.

Mr. COOLEY. I will say that Iowa is a great State in many respects. It is best known for its corn crop. I will say to my friend from Iowa if the Belcher amendment is adopted, you will put every little 15-acre man out of business and they will be perfectly free to grow corn in competition with the corn produced in Iowa.

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

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Of course, the Chairman knows there will not be anybody in the 15-acre allotment put out of business if he has been raising wheat. This only puts out of the wheat program that fellow that joined later.

Mr. COOLEY. The committee has reduced the 15-acre allotment to the lower of 12 acres or to the highest planted by the farmer in any one of the most recent 3 years. Those who have a smaller allotment should be affected like those that have a larger allotment.

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

Mr. COOLEY. I yield.

Mr. McCORMACK. I think the gentleman's statement was correct a moment ago that the increase in cost of living to the people in the cities is not to be blamed on those who toil in the soil. We ought to know, and certainly I know, that as prices go up to the consumer, the farmer has been getting less.

Mr. COOLEY. The record clearly shows that.

Mr. McCORMACK. We know that it is caused by the middlemen. And certainly that should be thoroughly looked into. Anyone from the cities who votes against any bill because he thinks it is going to increase the cost of living to the consumers in the city is making a very serious mistake.

Mr. COOLEY. Even the Secretary of Agriculture has publicly said that the American consumer today is getting better food and more food at cheaper prices, in relation to individual incomes, than ever before in all history. That is an answer to that argument.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

All time has expired.

The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

The was no objection.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949, as amended,

is amended by adding the following new section:

"Sec. 106. Notwithstanding the provisions of section 101 of this Act, for each of the 1960 and 1961 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 90 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in 1957 and 1958, less an acreage equal to 30 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 344 (c) (2) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in 1960 or 1961, whichever is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for 1957 and 1958 may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceeded the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the 1960 or 1961 crops of wheat, if the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm equal to the 30 per centum reduction in the farm acreage allotment required under section 344 (c) (2) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-third of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop

normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program for 1960 or 1961 shall be reduced by an amount equal to the required reduction of 30 per centum under section 344(c) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 90 per centum of parity under this section shall be made available only to co-operators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to co-operators and noncooperators at 50 per centum of parity: *Provided, however*, That for the purpose of section 407 of the Agricultural Act of 1949, as amended, the current support price for wheat shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor."

SEC 2. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however*, That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1960 and 1961 crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however*, That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 12 acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1957, 1958, or 1959."

SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the 1960 and 1961 crops of wheat.

SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1960 and 1961 crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 30 per centum. In the event notices of farm acreage allotments for the 1960 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Section 334 is further amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on

which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the 1960 and 1961 crops;"

(d) Section 336 is amended to read as follows:

"Sec. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held on a farm that was not exempted from farm marketing quotas on such crop of wheat under applicable provisions of law. Any acreage considered as being devoted to wheat in establishing future allotments under applicable provisions of law shall be considered as wheat-producing acreage for the purpose of determining eligibility to vote. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat."

(e) Section 362 is amended by deleting the second sentence thereof.

SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 10, strike out "30" and insert "25."

Page 2, line 14, strike out "344" and insert "334."

Page 3, line 10, after the word "if", insert "marketing quotas for the particular crop are in effect and."

Page 3, line 13, strike out "30" and insert "25."

Page 3, line 14, strike out "344" and insert "334."

Page 4, line 20, strike out "30" and insert "25."

Page 4, line 21, strike out "344(c)" and insert "334(c) (2)."

Page 9, line 10, strike out "30" and insert "25."

The committee amendments were agreed to.

Mr. McGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: "Provided further, (1) That beginning with the crop of wheat to be planted in 1960, the total amount of price support extended to any person on any year's production of wheat through loans or purchases made or made available by the Commodity Credit Corporation, or other agency of the U.S. De-

partment of Agriculture shall not exceed \$35,000; (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, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (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."

Mr. McGOVERN. Mr. Chairman, this amendment is very similar to an amendment that I offered on the floor of the House 2 years ago, when we were debating the corn bill in the spring of 1957. It simply seeks to gear the operation of our Federal farm program primarily to what has been called here many times "the family-size farm." It is an amendment similar to the one that was adopted on tobacco yesterday when that bill was before the House, a measure which came from the other side of the aisle which I was happy to support, just as I supported the amendment offered by the gentleman from Kansas [Mr. AVERY] a few days ago.

Mr. Chairman, I want to make this point in reference to the amendment. It would be a mistake for anyone to assume that because we are offering a limiting amendment that this necessarily implies that most of our present wheat program is now in the hands of huge producers. There has not been any more unjustified myth spread around this country than the notion that most of our farm production is controlled by a few huge operators. The truth of the matter is that this amendment limiting price-support loans on wheat to \$35,000 for any one producer will only affect 287 wheat farmers in the entire United States. Last year, according to the figures of the Department of Agriculture, there were 476,000 wheat loans that were granted by the Commodity Credit Corporation. In other words, the amendment I am offering today affects only 6/100th of 1 percent of all the loans that were granted to wheat producers in 1958. The total of the dollars that were loaned to the wheat producers in the category of \$35,000 and over represents only a little more than 1 percent of the wheat that was pledged under our price-support program. So I do not offer this amendment because of any conviction on my part that the program has been taken over by the large producers, but because the entire farm program has been given a black eye due to the publicity and the propaganda associated with a handful of large producers. This amendment will take care of that problem.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSON of Montana. As I heard the gentleman's amendment read, the language was "wheat planted in 1960." I wonder if the gentleman really intended to make that discrimination so that the winter wheat people would have the effect of this amendment deferred until the harvest in the fall of 1961 whereas the spring wheat people would have it imposed on crops to be harvested in 1960.

Mr. McGOVERN. The amendment goes into effect on any wheat planted in the 1960 crop year.

Mr. ANDERSON of Montana. As I interpret the wording of the gentleman's amendment, it goes into effect for the spring-wheat farmers a year earlier than it does for the winter-wheat farmers.

Mr. McGOVERN. We have to have a beginning point.

Mr. ANDERSON of Montana. Then should we not say "harvested in 1960" instead of "planted in 1960"? We are talking about two crops here, the crop harvested in 1960 and the crop harvested in 1961.

Mr. McGOVERN. I think the amendment accomplishes what we are after the way it is worded.

Mr. ANDERSON of Montana. No. It does not accomplish what the gentleman is talking about for the crop to be harvested in the winter wheat area in 1960 because most of that crop will be planted in 1959.

Mr. McGOVERN. I have no objection to changing that to take care of that problem.

Mr. ANDERSON of Montana. Could the gentleman be permitted by unanimous consent to so change his amendment?

Mr. SMITH of Iowa. I believe you said planted in the crop year. The crop year is from July 1 to July 1 so there is nothing wrong with your amendment.

Mr. McGOVERN. Does that satisfy the gentleman's complaint about the amendment?

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

Mr. McGOVERN. I yield to the gentleman.

Mr. COOLEY. I just want to add to what the gentleman has said that of the 1,700,000 wheat acreage allotments during 1958, there were only 287 loans in excess of \$35,000 which only involved less than 9½ million bushels of wheat and the money involved is slightly more than \$16 million as related to \$1,011,880,000. The total of 9 million bushels is related to 556,300,000 bushels.

Mr. Chairman, I point that out to show to the Members that it is not necessary for us to kid ourselves into believing that we are accomplishing anything by adopting the gentleman's amendment. The fact is that I oppose the amendment, but I assume the House will probably impose this limitation. But, I just wanted the House to know that we are doing something that is not of great consequence and will not

accomplish much when this \$35,000 limitation is imposed.

Mr. McGOVERN. Mr. Chairman, in view of the question that has been raised by the gentleman from Montana about the wording of the amendment I have offered, I ask unanimous consent that in the amendment the word "planted" be changed to the word "harvested" so that all of these crops will be treated alike.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN: On page 5, line 2, strike out the period, insert in lieu thereof a colon, and add the following: "Provided further, (1) That beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person on any year's production of wheat 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; (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, except that in the case of a partnership made up of two or more separate families or households each such family or household may be considered at its option as a person for the purposes of this subsection; (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."

Mr. MOORHEAD. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD to the amendment offered by Mr. McGOVERN: After "legal entity," insert "or any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household."

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORHEAD] is recognized in support of his amendment.

Mr. MOORHEAD. Mr. Chairman, I rise in support of my amendment to the amendment proposed by the gentleman from South Dakota.

Let me first say that I think the amendment proposed by the gentleman is a good one, and I am in favor of it. However, I believe that the language of the amendment as now drafted contains a loophole which could possibly be used to destroy the intended effect.

Let us take as an example a man with a wife and two children who owns and operates a wheat farm of 100,000 acres. The purpose of Mr. McGovern's amendment is to limit the amount of price support which this farmer could receive from

the Commodity Credit Corporation in any one year to \$35,000. This farmer by a series of divisions of his acreage could set up 1,000 acres as a partnership with his wife, another 1,000 acres in corporate form with his daughters as stockholders, and various other forms of legal entities, each of which could be used under the present language to entitle him to \$35,000. Thus instead of a limit of \$35,000, he might actually be able to collect hundreds of thousands of dollars.

The amendment I propose would change the language so that any two or more legal entities having the same beneficial ownership or owned by members of the same household, would constitute only one "person" for purposes of determining the limitation. This would prevent any one family from collecting more than the intended \$35,000, by setting up a series of dummy corporations or partnerships.

I also have in mind a similar situation to which I believe my amendment would apply. This is the so-called vertical combine; that is, a supermarketing organization in which is combined the services of the farmer, the middleman, and the distributor. It would be quite possible for such a huge organization to set up several legal entities, but the beneficial ownership would still be in only one corporation. My amendment is intended to prevent such an organization from receiving more than the \$35,000 intended under the amendment of the gentleman from South Dakota.

Mr. Chairman, there are no farmers in my district. It is located in the center of the great industrial city of Pittsburgh.

People there are watching farm bills these days more intently than ever before and well they should be.

The factory workers, professional people, and housewives are bearing the cost of this program as consumers and taxpayers.

However, these city dwellers also realize that they benefit from this legislation because the strength of the economies of the cities of America depends, in large measure, upon the strength of the economy of rural America.

There is an interdependence of rural and urban America.

I hope that the representatives of rural America realize that the cities of America are their best customers, and that a healthy rural economy depends upon healthy urban economies. I think they do. Most of them supported the housing bill because they realized that the cities of America had a desperate need for Federal assistance.

Insofar as the small or family farm is concerned, we of the cities recognize that there is also a need for Federal assistance. We recognize that the small farmer is beset by problems completely beyond his control and beyond his financial ability to guard against.

If the small farmer has bad weather, drought, flood, or plague of insects, he loses his crop and possibly his home and source of livelihood. If he has good weather, so do his neighbors and he

loses money because the increased supply of his crop drives prices down.

The small farmer has a real need for Federal assistance.

Big corporate farms can weather bad years. They need subsidies about as much as General Motors needs help from the Small Business Administration.

The large farm combines do not—or should not—have the same need as the small farmer.

There is the specter of a growing revolt among city dwellers against continuation of a farm program which is not based upon need.

The Democratic Party has always recognized the problem of need wherever it may occur in any segment of our people.

However, the people of the cities believe that the farm program is too expensive.

They object primarily to the payment of tremendous subsidies to the large or corporate farm where there is no need.

Then why not direct the program away from the huge farm combines who do not need it and limit it to the farms where there is need?

Such a step would immediately save all taxpayers millions of dollars.

I understand that an amendment will be offered to accomplish this purpose. The amendment will place a top limit of \$35,000 on the amount of price support to any one person on any year's production of wheat. I am wholeheartedly in support of this amendment.

However, because the amendment may contain a loophole whereby the large farm combines could avoid the effect of the amendment, I propose to offer an amendment which, I believe, would close this loophole.

The \$35,000 limit will be a step toward placing our wheat program on a sound, realistic, and more economic basis.

I hope that city and farm will join together to adopt this amendment.

I hope city and farm will join in adopting this amendment as they soon must join in finding an even more fundamental solution to the frustrating problem characterized by the constantly increasing abundance of American wheat and other agricultural products which somehow we have been unable to make available to the world's starving millions who need them.

Today's bill embodies a program of 2 years—2 years in which we should be striving for better ways to use this abundance to strengthen America's position in world trade and forge stronger ties with freedom-loving people throughout the world.

Wheat, which now costs Americans money in taxes, can and should be producing more money instead as a valuable export.

Wheat, the center of a vexing problem of plenty, should, instead, be helping build roads in the underdeveloped areas of the world.

The avenue toward the first goal is through commerce.

Our Departments of State, Agriculture, and Commerce should, during the next 2 years, exert redoubled efforts to re-

verse the trend of declining sales of American wheat on the world market.

Our salesmen should be busy in potential markets throughout the world.

Russia, for example, has increased her wheat exports 500 percent in the past 2 years.

Why can we not?

In mentioning wheat as a valuable part of our foreign aid program, I mentioned that it can build roads in our underdeveloped areas of the world.

It can, and at the same time, save us valuable dollars.

In many of the world's underdeveloped areas basic public improvements such as roads are needed as a first step toward raising the general level of economy.

In India, for example, hundreds of small villages have not even a single road connecting them with larger centers.

The men who should be providing labor on them are, instead, desperately engaged in a struggle to eke out enough food for their survival.

It has been proposed that, as an economic type of American foreign aid, these native farmers be put to work and paid for their labor in wheat and other American foodstuffs.

In essence, we would be substituting food for dollars in foreign aid programs and, judging from the mounting surplus in many of our commodities, we have more food than dollars.

There is a visionary element, I admit, in both the foreign aid and commercial approaches I have suggested to our surplus wheat problem. But vision and imagination are required if we are to solve it.

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

Mr. MOORHEAD. I yield.

Mr. McGOVERN. I have no objection whatsoever to the language the gentleman would like to add to my amendment. I think it may clear up some area of doubt and I hope that it will be accepted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is insignificant, and it would not accomplish what the author of the amendment seems to think it would accomplish.

In recent weeks the farm program has been held up to ridicule and Members of Congress have been held up to ridicule by a bunch of journalistic, gutter-snipe type of people who are trying desperately to bring this farm program into disrepute and ultimately to destroy it.

Why should we be frightened and intimidated by flaming headlines speaking of big operators as if they were some sort of villains, some sort of criminals imposing on the little taxpayer? I have talked to the largest wheatgrowers in this country. They are for this bill as we have presented it. Every wheat district represented in this Congress is for this bill as the committee brings it out to the House.

Why should we deny a loan to a man just because he is a big operator? We

cannot have a control program controlling the operations of one group of producers alone; we control the operations of all producers. Why should we discriminate against any of those who accept the hardship, the pains and penalties of the law and who stay within their acreage allotment? Why should we deny them a loan?

One man with whom I talked was a very large grower. The Government has not sustained any loss on his loans. He has borrowed millions from the Government and paid back millions to the Government with interest. The only time he did leave his commodity in the loan came when the Government lowered the price support on wheat and he was unable to sell it without a loss.

I hope this amendment will be rejected.

Mr. AVERY. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I find myself in a rather unique position this afternoon in rising to oppose this amendment. This tremendous effort to impose a limitation on the lending authority of the Commodity Credit Corporation seems to emanate from the time I offered an amendment to the agricultural appropriation bill for the fiscal year 1960. After it was rather overwhelmingly approved by the House, the other body hastened in to put an amendment similar to this one we have before the committee this afternoon on the wheat bill passed by that body. Then yesterday there was a similar amendment attached to the tobacco bill that was before the House. Now we are getting into a whole maze of rather complex situations in which there is no pattern nor consistency.

The reason I am opposing this amendment is not because I have any objection to the principle. I do not agree with the gentleman from North Carolina there is no justification for imposing a limitation. My objection to this amendment is based on the fact we have a limitation on the agricultural appropriation bill passed by the House. The Senate has accepted that limitation on the agricultural appropriation bill. They have amended the language, but the \$50,000 limitation remains. We come in here this afternoon seeking to impose a \$35,000 limitation on wheat and we are not going to be able to reach the other four basic commodities to put the same \$35,000 limitation on them.

It would seem to me, unless the chairman of the Committee on Agriculture wants to rise and tell us he will bring in legislation to the floor to authorize or impose a limitation on all the basic commodities, that we better let this one go by and let the \$50,000 limitation prevail that is in the agricultural appropriation bill and was attached to the tobacco bill considered by the Committee and the House on yesterday.

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

Mr. AVERY. I yield to the gentleman from South Dakota.

Mr. McGOVERN. May I ask the gentleman from Kansas if he rose in opposition to the amendment yesterday to the tobacco bill, very similar to this amendment?

Mr. AVERY. It is my understanding that was a \$50,000 amendment.

Mr. McGOVERN. I think it was the same as the amendment that is being offered.

Mr. AVERY. Mr. Chairman, I yield to the gentleman from Illinois to make a contribution.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding. The reason we offered the amendment in the language we did was for the purpose of getting some sort of uniformity. I must say I subscribe somewhat to the remarks made by the gentleman from Kansas, in that if we continue to set different figures and varying language for every set of commodities, we are getting into a very untenable position. I would be willing to withdraw from the position I took yesterday, if we could get some assurance from the distinguished chairman that the legislative committee will take this matter in hand and come up with something that is uniform for everybody, something that we can all understand, without this haphazard method of legislating.

Mr. COOLEY. The gentleman's amendment was for \$50,000?

Mr. AVERY. Yes.

Mr. COOLEY. To the tobacco bill?

Mr. AVERY. Yes.

Mr. COOLEY. I did not oppose it because actually I was advised that the amendment would have affected in the entire life of the tobacco program only four loans. We are about to do the absurd thing of pretending to the country we are doing something of great importance when the amendment offered by the gentleman would only be applicable to loans totaling \$16 million against total loans in the wheat program of over \$1 billion in the last year. It is not too important, but I assure the gentleman that just as soon as circumstances will permit our committee will go into this very thing and try to bring about some uniformity.

I want to say to the House that we expect to start on some long range farm programs when time will permit. But we are doing something vain and foolish by adopting this loan limitation amendment.

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

(By unanimous consent (at the request of Mr. AVERY) he was allowed to proceed for 1 additional minute.)

Mr. AVERY. Mr. Chairman, I find myself in agreement on this particular issue with the chairman of the Committee on Agriculture. I do not see how we can justify a \$35,000 limitation on wheat and a \$50,000 limitation on all the other commodities. I do not quite understand here today how we could have any assurances of seeking or imposing a limitation on the four commodities that very possibly will not be before the Congress this year. So let us not adopt this

amendment, let the \$50,000 limitation in the appropriation bill apply for 1960; then we can take this matter up with the legislative committee where it rightfully belongs for the crop year 1961.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

There must be good reason for the enactment of this amendment. The chairman of the Committee on Agriculture at first said this was inconsequential, this amendment offered by the gentleman from South Dakota, but it seems to me it has developed into a pretty good argument. I notice the distinguished chairman of the Committee on Agriculture is now making quite a fight against it despite the fact that it was not supposed to affect anybody or do anything. That seems to me to be a argument for the adoption of the amendment.

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

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. It would have affected 287 people last year out of a total of 476,000. Why should we discriminate against 287 loans?

Mr. GROSS. I am in favor of putting this limitation on every bill just as fast as they come in here.

Mr. COOLEY. I say if you put it on every bill, even if you put a \$35,000 limitation on it, but you are not accomplishing anything. That is my point.

Mr. GROSS. Oh, yes, you are accomplishing something.

Mr. COOLEY. You are knocking these 287 people out of a loan.

Mr. GROSS. Would not the gentleman say that is some accomplishment?

Mr. COOLEY. No.

Mr. GROSS. The gentleman from Iowa thinks it is and feels that we ought to put a similar limitation on every bill that comes in.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN to the amendment: Strike out the sum "\$35,000" and replace the sum with the sum "\$50,000."

Mr. BALDWIN. Mr. Chairman, this amendment is simply to bring the wheat limitation in line with the limitation adopted yesterday for tobacco and the amendment adopted in the appropriation bill a couple of weeks ago for other price-supported commodities. I hope the House will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN] to the amendment as amended.

The question was taken; and on a division (demanded by Mr. BALDWIN) there were—ayes 33, noes 76.

So the amendment to the amendment as amended was rejected.

The CHAIRMAN. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. LATTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTI: On page 10, line 10, strike out all after the word "quota"; and strike out lines 11 through the word "vote", on line 20, and insert in lieu thereof the following: "Farmers eligible to vote in such referendum shall be those farmers on farms to which a wheat acreage allotment was established in the calendar year immediately preceding the calendar year in which the referendum is held."

Mr. LATTI. Mr. Chairman, we have heard much discussion here this afternoon about giving the small farmer the right to vote in a wheat referendum. I propose by this amendment to give all farmers the right to vote who had an acreage allotment the preceding year. It would not give the right to vote to farmers who did not have any acreage allotment.

I am particularly concerned with the large number of farmers who have between one-tenth of an acre and 15 acres in the United States, in wheat, who are not permitted to vote in a wheat referendum even though they are affected indirectly by such a program.

For example, in the State of Ohio we have 45,026 farmers who have acreage allotments of from one-tenth of an acre to 5.9 acres who are now denied the right to vote in a wheat referendum, and 44,201 farmers who have an acreage allotment of between 6 acres and 10.9 acres; and we have 21,980 farmers who are not permitted to vote who have between 11 and 15 acres of land in wheat.

For example, in the 48 States, those who have between one-tenth of an acre and 5.9 acres number 488,619 who are not permitted to vote. In the category of 6 acres to 10.9 acres we have 263,985 who are not entitled to participate in this program.

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

Mr. LATTI. I yield.

Mr. SHORT. I am in accord with the objective the gentleman is trying to achieve through his amendment. But I think I should point out to him that the statistics he was quoting a few moments ago also include 355,950 farmers who have an acreage allotment of zero up to one-tenth of an acre and under the provisions of the law, if amended as he suggests, would also be able to vote.

Mr. LATTI. The gentleman is absolutely incorrect. I did not read those figures to which he referred. To be exact and to be correct the number in Ohio with an allotment of zero happens to be 19,598. The total number in the United States is 355,956. And, as I pointed out to the Committee at the beginning of my remarks, this amendment would not include those individuals because they do not now have an allotment.

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

Mr. LATTI. I yield.

Mr. LEVERING. Mr. Chairman, I rise in favor of the amendment and I hope it will be adopted.

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

Mr. LATTI. I yield to the gentleman.

Mr. BELCHER. Do I understand that under the gentleman's amendment he is giving everybody with a wheat allotment regardless of size the privilege to vote?

Mr. LATTI. That is correct.

Mr. BELCHER. That means that a farmer who has an allotment under 15 acres will have the privilege of voting in a program under which he does not come; in other words, he can vote in a program under which he does not suffer any of the penalties of marketing quotas. Is that correct?

Mr. LATTI. Mr. Chairman, I would like to say to the gentleman notwithstanding the correctness of his statement, those individual farmers to which this amendment will have reference are indirectly affected by this program. They are restricted by the very law to 15 acres or under in their production. So they are indirectly affected by the program and I, therefore, maintain they should be permitted to have the right to vote.

Mr. ALBERT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ALBERT as a substitute for the amendment offered by Mr. LATTI of Ohio: On page 10, beginning after the period on line 10, strike out through the period on line 20 and insert: "Farmers eligible to vote in such referendum shall be producers on farms with respect to which a wheat allotment has been established pursuant to the provisions of this act for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with such acreage allotment."

Mr. ALBERT. Mr. Chairman, this amendment seeks to do two things; first, to take care of an omission that resulted when the bill was redrawn, and to make sure that everyone subject to marketing quotas is permitted to vote.

Secondly—and I would like to address this remark to the gentleman from Oklahoma [Mr. BELCHER], who raised the question with the gentleman from Ohio [Mr. LATTI]. This amendment enfranchises everyone who is subject to marketing penalties, and that is all that any marketing penalty law for any crop does, so far as I have been able to find out. It goes further and says to those who are within the exemption if they have an acreage allotment and planted the allotment and no more, they will be eligible to vote.

Mr. BELCHER. Does that put any restriction on them as to whether or not they can vote with the 15 acres? Do I understand if they had a 3-acre allotment this year, they could vote in the program to put marketing quotas on everyone else and then they could go ahead and plant 12 acres of wheat?

Mr. ALBERT. No; this will only authorize certain ones to vote. This will authorize that individual to vote who has an allotment of less than 12 acres but who lives within his allotment. He has a choice between taking the exemption and living within the program with

everybody else and voting like everybody else.

Mr. BELCHER. In other words, if he votes he must live within the program.

Mr. ALBERT. That is right. That is all there is to it.

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

Mr. ALBERT. I yield.

Mr. HALLECK. And if he does not live within his allotment, then he has no right to vote?

Mr. ALBERT. That is right because he is not subject to the law up to the point of his exemption.

Mr. HALLECK. In other words, in the committee bill, as I understand it, there is a 12 acre exemption.

Mr. ALBERT. That is right.

Mr. HALLECK. If a man did not have a 12 acre allotment and did plant 12 acres of wheat, he would have no right to vote.

Mr. ALBERT. That is right. But, he has the right under the exemption to live within his allotment and vote or plant more and not vote.

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

Mr. ALBERT. I yield.

Mr. SHORT. I hope and I am sure the distinguished chairman of our wheat subcommittee understands the amendment he has introduced here, but I am wondering if the language is quite clear. The law provides that you shall not be eligible to vote if you are not subject to quotas. The law we are considering limits this to those who plant 12 acres of land. I think there is possibly the need for clarification of the language in the exemption.

Mr. ALBERT. Mr. Chairman, I ask unanimous consent that the amendment be again reported by the Clerk.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk again reported the substitute amendment.

Mr. ALBERT. This adds, I will say to the gentleman, or I will say it is intended to add to those eligible under the law another group, to wit, those who live within their allotment but are not subject to marketing penalties.

Mr. SHORT. The only question that came to my mind, I will say, is as to whether or not there is a conflict between the provisions of the law which says that those who are not subject to quotas shall not be eligible to vote and the provisions of this amendment. That is the only question I have and, perhaps, it is getting pretty technical.

Mr. ALBERT. I think so far as this class is concerned, it certainly would modify existing law. That is the intention.

Mr. LATTI. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, in order that we all know the facts as to the substitute amendment offered by the gentleman from Oklahoma, I would like to point out that we are not getting much under the gentleman's proposed amendment. For example, if we were to pass this bill,

H.R. 7246, and reduce the 15 acre-farmer to 12 acres, a person having only a 2 acre allotment would have to choose between growing 12 acres of wheat and not voting or growing 2 acres of wheat and voting—a difference of 10 acres. In our State of Ohio, the farmer will net \$50 an acre for growing wheat. When you multiply \$50 by 10 it means that he is paying \$500 to vote in a wheat referendum, and I say the price is too high, and I think the amendment should be defeated.

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

Mr. LATTA. I yield.

Mr. JONES of Missouri. Can the gentleman tell us what percentage of large and small wheat producers vote in these farm referendums?

Mr. LATTA. In answer to the gentleman's question I may say that in 1958 there were 800,000 eligible voters; 235,039 voted; and if you want to know the percentage who voted "for" I can give it to you.

Mr. JONES of Missouri. I would like to have the figure.

Mr. LATTA. 86.2 percent voted for; 13.8 against.

Mr. JONES of Missouri. A minimum of the people eligible to vote voted. For the entire United States it was 20 percent.

Mr. LATTA. Very nearly; I would say it would be a little over 20 percent.

Mr. JONES of Missouri. For the whole United States 20 percent.

Mr. LATTA. Yes.

Mr. JONES of Missouri. So is it not a case of making a mountain out of a molehill, this matter of the vote?

Mr. LATTA. It may be making a mountain out of a molehill, but the people should have the right to vote.

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

Mr. LATTA. I shall be pleased to yield to my distinguished chairman.

Mr. ALBERT. The gentleman recognizes now that my amendment will take care of every grower who desires to be a part of the program, and that it will not in any way take away the exemption of those who do not care to be in the wheat program. Is that true?

Mr. LATTA. I agree with the gentleman's statement, but I do not think we should mislead anybody into believing that they are getting much by virtue of the amendment to the amendment, as the individual himself must choose between his allotment and the 12 acres. He can still plant his 12 acres, but he cannot if he takes his allotment.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield.

Mr. HOFFMAN of Michigan. What percentage of those who grow wheat throughout the country cannot vote?

Mr. LATTA. I do not have those figures. It is a very small percentage.

Mr. HOFFMAN of Michigan. It is far more than half, is it not? You do not claim that 50 percent of the wheat growers of the country vote.

Mr. LATTA. No.

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

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. BENTLEY. I would like to ask the gentleman if the Albert substitute provides that if after the referendum everybody who participated in the referendum would be subject to marketing quotas?

Mr. ALBERT. No, that is not correct.

Mr. BENTLEY. Only those in excess of 12 acres.

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

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this time simply to say that this thing has cleared up pretty well. The question is simply whether you want to let people vote in a referendum which will not affect them. In other words, should the citizens of Texas vote to select the mayor of New York? That is just about how this works, because if you adopt the Latta amendment you allow a substantial group of people who are not affected by any controls to vote controls on others. If, on the other hand, you adopt the Albert substitute you let every wheat-grower in the United States who is subject to marketing quotas and who abides by them to vote in determining whether or not we have these marketing quotas.

If a wheat grower does not want to abide by his quotas he can grow 12 acres under the Albert bill. He can grow 12 acres without any compliance on his part whatever. On the other hand the Latta amendment would let him vote to impose a limitation upon his neighbor.

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

Mr. POAGE. I yield.

Mr. BENTLEY. The gentleman said that the Albert substitute would let everybody now subject to marketing quotas vote.

Mr. POAGE. No, that is not what I said. I said everybody who is subject to marketing quotas and abides by them.

Mr. BENTLEY. What about people who are not subject to marketing quotas; can they grow 12 acres?

Mr. POAGE. Anyone can grow up to 12 acres and if they abide by their marketing quotas they can vote under the Albert amendment. It does not take a quota to grow 12 acres, but it takes a quota and compliance with that quota to vote.

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

Mr. POAGE. Certainly.

Mr. ALBERT. This substitute amendment will do two things: First, all those who are subject to marketing penalties will be eligible to vote. Second, all those not subject to marketing penalties who have allotments and abide by the allotments will also vote.

Mr. BENTLEY. Abide by the allotments and the marketing quotas.

Mr. ALBERT. The gentleman is correct.

Mr. POAGE. The marketing quota is based on the allotment.

Mr. QUIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask the gentleman from Oklahoma [Mr. ALBERT], if he will yield for a question.

Mr. ALBERT. I yield to the gentleman.

Mr. QUIE. What year would the gentleman take into consideration, under his amendment to the amendment, in the first referendum, which is coming up this year? Would that mean that if in 1959 he stays within his allotment that then he would be able to vote in 1959 on 1960 quotas?

Mr. ALBERT. The gentleman is right.

Mr. QUIE. Like on my part if I had a 7-acre allotment, and if I stayed below that I would be able to vote in 1959?

Mr. ALBERT. After consulting counsel, I am advised it is based upon his performance this year. That is correct.

Mr. QUIE. This year?

Mr. ALBERT. Yes.

Mr. QUIE. So if I have an allotment of this year of 7 acres and I raise less than 7 acres of wheat, I would be able to vote this year in the forthcoming referendum?

Mr. ALBERT. That is correct.

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

Mr. QUIE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. If you stay within the allotment this year, you can vote on next year's allotment, is that correct?

Mr. ALBERT. You can vote in the referendum to be held in July of next year.

Mr. BELCHER. You would be under no obligation to stay within that allotment when you planted your wheat this fall?

Mr. ALBERT. No. It depends on your performance. There would be no other way of doing it.

Mr. BELCHER. A man is obligated to live up to the way he votes?

Mr. ALBERT. He has earned his eligibility by his performance, I may say to the gentleman.

Mr. BELCHER. He can then grow 12 acres of wheat without penalty.

Mr. QUIE. Mr. Chairman, the situation, before the offering of the Belcher amendment is such that I think this is a good amendment to the amendment and I plan to support the amendment to the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, if I grow wheat but do not participate in any way in the program, may I vote?

Mr. ALBERT. The gentleman is eligible to vote under two circumstances. One, if he is subject to marketing penalties; and that means anyone who plants more than 12 acres or has an allotment of over 12 acres; or, two, if he has an allotment, small or large, and he lives within that allotment, he automatically is eligible to vote.

Mr. HOFFMAN of Michigan. That is not my question. What I asked is this: I grow wheat, maybe 1 acre, maybe a

hundred acres, but do not participate in the program. May I vote?

Mr. ALBERT. Yes, because you would get an allotment if you are a wheat grower.

Mr. HOFFMAN of Michigan. Whether I want it or not?

Mr. ALBERT. Yes.

Mr. HOFFMAN of Michigan. And I do not vote?

Mr. ALBERT. No.

Mr. HOFFMAN of Michigan. And cannot?

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. What percentage of the farmers in the United States who grow wheat cannot vote?

Mr. ALBERT. A considerable number.

Mr. HOFFMAN of Michigan. How many? What percentage?

Mr. ALBERT. I do not have that percentage. I am sorry.

Mr. HOFFMAN of Michigan. Those who participate and get something out of it will vote for it, and nobody else?

Mr. ALBERT. Those who desire to participate in the program.

Mr. HOFFMAN of Michigan. Those who participate and get something can vote. Nobody else can vote.

Mr. ALBERT. If the gentleman will yield, they all can vote for their Congressman.

Mr. HOFFMAN of Michigan. But they have to be a party to it?

Mr. ALBERT. What was the question?

Mr. HOFFMAN of Michigan. The question is, if I do not participate—

Mr. ALBERT. You cannot vote.

Mr. HOFFMAN of Michigan. Even though I grow wheat, I cannot vote?

Mr. ALBERT. That is right.

Mr. HOFFMAN of Michigan. So that everybody who votes for it is eligible to get something out of it?

Mr. ALBERT. No. The gentleman is correct in this: Everyone subject to marketing penalties or who complies with an allotment is permitted to vote.

Mr. HOFFMAN of Michigan. If you do not get anything out of it you cannot vote?

Mr. ALBERT. I cannot answer that.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Oklahoma to the amendment offered by the gentleman from Ohio.

The substitute to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended by the substitute.

The amendment as amended was agreed to.

Mr. BELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELCHER: Strike out all after the enacting clause and insert "That title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to co-operators and noncooperators for the 1960 crop and each subsequent crop of wheat shall be 50 per centum of the parity price

of wheat: *Provided*, That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price thereof."

"SEC. 2. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended to read as follows:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however*, That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1960 and subsequent crops shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested."

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended effective beginning with the 1960 crop of wheat to read as follows:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding

adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is repealed effective beginning with the 1960 crop of wheat."

"SEC. 3. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (12)) is repealed effective beginning with the 1960 crop of wheat."

"SEC. 4. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting a new paragraph (d) between paragraphs (c) and (e) to read as follows:

"(d) For the purposes of paragraphs (a), (b), and (c) of this section any farm on which the farm marketing excess is adjusted to zero because of underproduction pursuant to applicable provisions of law shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty."

"(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1960 and subsequent crops'."

"(c) Section 362 is amended by deleting the second sentence thereof."

"SEC. 5. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1960 crop of wheat."

"SEC. 6. (a) Subsection (f) of section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the last sentence thereof."

"(b) Section 336 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, to determine whether farmers are in favor of or opposed to such quotas. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat."

Mr. ALBERT. Mr. Chairman, would the gentleman yield so that we might secure some idea as to time?

Mr. HOEVEN. I have no way of knowing how many want to speak on this amendment. I suggest we let the matter run along for a bit and see what arrangements we can make.

Mr. ALBERT. Very well.

Mr. BELCHER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BELCHER. Mr. Chairman, I am going to try to be just as brief as I can. We thoroughly discussed this matter awhile ago, and I would just like to point out to the House what this substitute actually does. It is a substitute bill. However, the reason it is offered as a substitute is for the purpose of clarity. It adopts a lot of the provisions of the committee bill, but I thought it would be more easily understood if I offered it as a clean substitute bill rather than have to go along and amend 6, or 8, or 10 different spots in the bill. For that reason I will just try to point out what the present law is and what this substitute will do.

Of course, the present law is permanent. Under the committee bill it applies to 1960 and 1961 only. My bill is permanent.

There is a 55 million acre minimum allotment at the present time. My bill keeps the same 55 million acre allotment. The committee bill keeps the same 55 million acre allotment but requires for the first 2 years that the bill is in effect a reduction of 25 percent.

Marketing quotas: At the present time up to 15 acres there are no marketing quotas and no penalties.

The committee bill provides for 12 acres or the highest amount planted within the last 3 years. My bill completely repeals the 15-acre exemption.

Price supports: The present price support is from 75 percent to 90 percent of parity. My bill retains that provision. The committee bill provides for 90 percent of parity. Penalty for overproduction at the present time is 45 percent of parity times the normal yield of marketing excess. Both my bill and the committee bill provide for 65 percent of parity penalty for double the normal yield or the actual yield, whichever is the lesser.

At the present time a noncooperator is not eligible for price supports if marketing quotas are not in effect. Both under the committee bill and my bill, if marketing quotas are voted down, there shall be a 50-percent price support for cooperators and noncooperators. In other words, there will be a 50-percent price-support program for everybody that cares to raise wheat, whether he has an allotment or stays within his quota or not, there being absolutely no control, and 50-percent price support. The committee bill reduces the wheat allotment by 25 percent but pays a bonus of one-third of the average yield if the farmer does not use that land for any other purpose, even including pasture. My bill retains the present law, because there is no reduction.

The wheat history is preserved under both the committee bill and my bill. All farmers who grow wheat are eligible to vote under my bill. Under the committee bill only those that are subject to marketing quotas in accordance with the

amendment that was just agreed to are able to vote.

Under both bills the 30-acre ceiling upon the amount of wheat that can be planted and raised on the farm is eliminated, which means that any farmer can raise any amount of wheat that he desires as long as he consumes the entire amount on the farm.

As has been stated, the committee bill is stop-gap legislation. It applies only to the 1960 and 1961 crop. The thought occurs to me that at that time we are going to be in almost the same position that we are in now; we are still going to have a surplus of wheat. We will have spent a lot of money on the wheat program and in addition to that we will have a 90 percent price support established. Now, everyone knows that listened to the debate at all yesterday that when you establish a 90 percent price support for any commodity, it is very difficult to lower it. The tobacco people had that experience all during this session of the Congress of how to get below the 90 percent without permitting the farmer to find out that they were actually going to go below the 90 percent. And, we will be in that same position with wheat in 2 years if we cannot reduce the 90 percent.

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

Mr. BELCHER. I yield to the gentleman from Kansas.

Mr. AVERY. Will the gentleman tell us again what his bill will do with respect to the 15-acre farmer?

Mr. BELCHER. The 15-acre farmer will be put under the program just exactly the same as any other program. This treats every farmer alike. If he has an allotment, he can raise up to the allotment and he can get price support on all the wheat raised up to his quota, but he will pay a penalty for any wheat that is raised above the quota.

In addition to that, everyone that is a wheat raiser in this country, whether, as the gentleman from Michigan says, he is going to get anything out of the program or not, will have an opportunity to vote whether marketing quotas shall be invoked.

In other words, under my bill, as I stated in general debate, this is the first bill that pertains to wheat or that has put every wheat farmer in the country absolutely under the same program, with the same price supports, with the same vote, with the same penalty, and having his allotment determined entirely on the same basis. The largest farm organization in America, the American Farm Bureau, that represents more wheat raisers than anybody in the country, has endorsed this program. Undoubtedly all other Members got the same telegram that I got. There are two amendments they would prefer to this bill. One would provide for 55 percent of parity in case marketing quotas were voted down. The other would be to change the penalty law to apply to planted acres and not harvested acres.

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

Mr. BELCHER. I yield.

Mr. HAYS. Suppose a farmer in my State has an allotment of 2 acres, but

has been able to find 8 or 10 or 12 acres as a cover crop to use with his 2 acres. What happens to him?

Mr. BELCHER. He cannot only raise 8 or 10 acres, but he can plant another 100 acres along with it and use every single bushel of it, if he uses it on his farm.

Mr. HAYS. As long as he uses it on his farm he is exempt from the penalty?

Mr. BELCHER. As long as he uses it on the farm he is exempt from every kind of penalty.

Mr. COOLEY. That could be done under the committee bill, but I believe not under the gentleman's amendment.

Mr. HAYS. That is what I was trying to find out.

Mr. COOLEY. Does the gentleman make any provision that permits the use of wheat grown on the farm for feed?

Mr. BELCHER. Certainly; if the gentleman had been listening, I covered that just a few moments ago. You can raise any amount of wheat you want to, as long as you consume it on the farm.

Mr. COOLEY. The result of the gentleman's proposal is to do away with the 15-acre exemption?

Mr. BELCHER. That is correct.

Mr. COOLEY. I wanted to make that perfectly clear.

Mr. BELCHER. It does away with the 30-acre limitation, too. You can plant any amount of wheat you want to if you use it on the farm.

Mr. COOLEY. But the committee bill does the same thing.

Mr. BELCHER. That is right. I said both bills provide that you can raise any amount and feed it on the farm. Both bills take care of the Yankus case.

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

Mr. BELCHER. I yield.

Mr. GROSS. How does the gentleman's bill cut production?

Mr. BELCHER. By the elimination of excess production that has been grown, by the difference between the wheat allotment of 5, 6, 7 acres and 15 acres that they are able to grow in excess of allotments.

Mr. GROSS. Does the gentleman contend that his bill is going to cut production?

Mr. BELCHER. Yes, sir; and the statistics will show it.

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

Mr. BELCHER. Yes.

Mr. JENNINGS. Under the provisions of the gentleman's bill, what is the minimum acreage allotment for the entire Nation?

Mr. BELCHER. Fifty-five million acres.

Mr. JENNINGS. The same as in the present law today?

Mr. BELCHER. Yes, sir.

Mr. JENNINGS. Then as I understand, the only reduction the gentleman is recommending would come from the 15-acre producer. He is not recommending any cut from the producers of the 55 million acres or the larger producers; is that correct?

Mr. BELCHER. I am saying that anybody who produces excess wheat, whether he is a little or big producer, is

going to have to go back to his allotment. That applies to big producers as well as little producers.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 40 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOEVEN. Mr. Chairman, reserving the right to object, this is the most important amendment to the bill; will the gentleman amend his request to make it 1 hour?

Mr. COOLEY. Mr. Chairman, I am willing to make it 55 minutes, which would come at 5 o'clock.

Mr. MORRIS of Oklahoma. Mr. Chairman, reserving the right to object, I have an amendment to offer, but I would like to be assured I will have at least 5 minutes to discuss it.

Mr. COOLEY. The gentleman will have a chance to discuss it. He will get some time; I do not know how much.

Mr. MORRIS of Oklahoma. I do not know whether I will or not.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from North Carolina that all debate on the pending amendment and amendments thereto close in 55 minutes?

Mr. MORRIS of Oklahoma. Mr. Chairman, I am constrained to object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 55 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is only one thing I think people ought to realize about this Belcher amendment and that is that it provides that all the reduction in acreage would be taken away from the small farmer, the farmer who is growing less than 15 acres of wheat. That is No. 1 and make no mistake about it. All of the reduction in the production of wheat would be made by farmers who are producing 1, 2, 3, 4, and up to 15 acres of wheat. There would be no reduction of acreage for the fellow who is producing 100 or 200, 500, 2,000, or 25,000 acres of wheat—there would not be 1 acre of reduction. Is that fair? That is what this means. There are 1,250,000 farmers who have been growing 15 acres of wheat or less. There are 1,250,000 small farmers who would have to bear the burden of all this reduction and it would not touch a single large wheat producer. Now those are the facts. If that is the way you want to legislate, go to it. The gentleman says he wants to treat everybody alike. I presume he would like to see the income tax changed and tax everybody at 10 or 20 percent and then we would all be treated alike. If you want to follow that conclusion, then let us vote for this Belcher amendment and

treat everybody alike. The gentleman said we are going to take a loaf of bread away from everybody. If a fellow had one loaf of bread he would lose that. If a fellow had 10 or 25 loaves of bread plus a big roast turkey on his table, he would lose 1 loaf of bread. But, that would not mean anything to that fellow, of course. The fellow who has the large acreage would not be touched by this amendment; it is a phony. This should be remembered too. Any representative coming from any area that produces Soft Red Winter wheat which is in demand and of which there is no surplus will be doing a grave injustice not only to the small farmer who is producing that type of wheat, but he will be creating a shortage of a type of wheat that is needed and he would not be making a reduction of one iota in the wheats that are in surplus today.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. BROWN of Missouri. The gentleman from Missouri is striking right at the heart of this problem; is it not true that we have had a 15-acre exemption in the law in this country since 1942 and for 16 years these people have been allowed the exemption to produce 15 acres of wheat?

Mr. JONES of Missouri. The gentleman is right. Another thing I want to say is this. The so-called small farmer who produces under 15 acres does not give a snap of his finger for the right to vote. They want to grow that 15 acres of wheat so that they can make a little money and try to create some income out of that small farm. That is all that we are asking for here today. The person who is interested in destroying the entire farm program and who wants to bring in a million so-called voters, and most of these people are in areas where they would rather have no farm program at all, and if we are going to let those people control the farm program, then I do not think we are doing any service to the other farmers of the country. But as I was saying the small producer cannot produce wheat as efficiently as the big producer with his big equipment, and he cannot take that small reduction. He will be wiped out entirely.

Mr. Chairman, I want to repeat again—if you want to be fair to the small farmer—if you want to hurt these 1,280,000 small farmers who will take all of the reduction, then just vote for this Belcher amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. ALBERT] is recognized.

Mr. ALBERT. Mr. Chairman, following what the gentleman from Missouri [Mr. JONES] has said, I would like also to emphasize that not only does this bill take the entire cut in production out on those who have less than 15 acres, but also it preserves as permanent law a 55 million minimum acreage allotment for the commercial producers of this country.

Are we ready at this time to make that kind of permanent decision? The committee has brought out a bill which will

cut the commercial producer by about 14 million acres for a two-year period. In that time a lot of things could happen. We are going to learn a lot about new varieties; we are going to learn a lot of things about feed grain problems. These things have to be coordinated; there is no question about that. But I doubt as a matter of policy at this late date that we should endorse in a new permanent law a 55 million acre minimum national allotment.

One of the things the President stressed in the message he sent to the Congress on January 29 was the elimination of the 55 million acre minimum allotment, adjusting the acreage to the amount of wheat that can be sold for dollars under the support price that prevails.

We have cut that minimum to 41 million acres for the life of the bill.

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

Mr. ALBERT. I yield.

Mr. COOLEY. Is not that the very thing Secretary Benson has been complaining about all along, that we have a 55 million acre limit?

Mr. ALBERT. That is one of the big items.

Mr. COOLEY. Our bill reduces that by 14 million acres.

Mr. ALBERT. The gentleman is correct.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MORRIS] is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS of Oklahoma as a substitute for the amendment of Mr. BELCHER: Strike out all after the enacting clause and insert in lieu thereof the following: "That title I of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"PRICE SUPPORT (WHEAT)

"SEC. 106. (a) Notwithstanding the provisions of section 101, price supports shall be made available for each of the 1960 and 1961 crops of wheat as provided in this section. The Secretary shall, subject to the provisions of subsection (b), make a payment respect to wheat marketed by a wheat producer, in good faith, in the normal and usual manner at the prevailing market price. In the event a producer is unable to market his wheat, after attempting to do so, by reason of a lack of a market or for any other reason beyond his control, the Secretary shall, through the facilities of the Commodity Credit Corporation, purchase wheat from him in the amounts and at the prices provided in subsection (b).

"(b) (1) The payment with respect to the marketing of wheat from any farm shall be equal to the difference between the sales price and—

"(A) 100 per centum of the parity price, to the extent of \$2,000 in payments,

"(B) 75 per centum of the parity price, to the extent of the next \$8,000 in payments, and

"(C) 50 per centum of the parity price, to the extent of the next \$30,000 in payments.

"(2) Where the Secretary purchases wheat under this section, his payments with respect to such wheat shall not exceed an amount which he determines will provide the same return to the producer as he would have received had he marketed such wheat

and received a payment at the rate provided in paragraph (1).

"(c) The Secretary shall provide by regulation (1) for dividing any payment made under this section among producers on a fair and equitable basis where there is more than one producer on a farm, and (2) which will prevent a producer from receiving payments greater than those provided for in subsection (b), by reason of his operation of more than one farm.

"(d) The Secretary shall determine the amount of payments made under this section on the basis of such reports and records as he may by regulation require, and for such purpose he may utilize information contained in returns filed by producers under the Internal Revenue Code of 1954.

"(e) The Secretary shall have, in carrying out this section, the same authority as he has, under section 373 of the Agricultural Adjustment Act of 1938, with respect to carrying out title III of that Act."

"Sec. 2. (a) Section 301(b)(6)(A) of the Agricultural Adjustment Act of 1938 is amended (1) by striking out 'rice, tobacco, and wheat' and inserting in lieu thereof 'rice, and tobacco', and (2) by striking out 'in the case of corn and wheat' and inserting in lieu thereof 'in the case of corn'.

"(b) Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, and the joint resolution of May 26, 1941, are hereby repealed."

The CHAIRMAN. Does the gentleman offer his amendment as a substitute for the Belcher amendment?

Mr. MORRIS of Oklahoma. Yes.

The CHAIRMAN. The gentleman from Oklahoma is recognized.

Mr. MORRIS of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORRIS of Oklahoma. For what period of time?

The CHAIRMAN. For approximately 2 minutes.

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

Mr. MORRIS of Oklahoma. I yield.

Mr. HOEVEN. As I understand, this substitute provides a system of direct payments to farmers, the discredited Brannan plan about which we have heard so much today.

Mr. MORRIS of Oklahoma. I would not call it the discredited Brannan plan. It is not exactly the Brannan plan. It is similar to it. It is a plan for direct payments.

I cannot yield further, Mr. Chairman; I have only 2 minutes.

Some day we will adopt, at least in substance, this plan, but frankly, I do not know whether the temper of the House is such as to adopt it now.

Some day we will come to it because it is the answer to our agricultural problem, in my judgment. My substitute will permit the law of supply and demand to have complete and free operation. There will be no controls, but it will guarantee to the small farmer and even larger ones that they will receive a fair price for the wheat that they raise. It is on a graduated scale. If for instance a farmer makes as much as \$2,000 worth of wheat measured by full parity up to \$2,000 worth but when he sells it he does not receive that much for his wheat, then the Government will make up the difference; and in a similar man-

ner a farmer is guaranteed 75 percent of parity up to \$8,000 additional and 50 percent of parity for a still additional \$30,000 worth.

It is like supporting the manufacturers in this country with a tariff, the railroads and the shipping industry, and many others with direct subsidies which as long as they are reasonable, I do not oppose. Of course, we are using now something similar to this on wool. Yes, we will come to this program as set out in my amendment eventually. We will not have to continuously carry on with great expense for storage. My amendment will eventually do away with storage, in my judgment. The expense as provided in my amendment will be infinitesimal compared to what it is now. Yes, we really will come to this sometime, and it will bring about voluntarily reduction of wheat especially as to the big, big business farmer.

I wish I had the time to go into it and really analyze the matter fully. I will say, however, that from 1910 to the present time the farm population has been going down, down, down. In 1910 the population of our country on the farms in America was 34.9 percent of our entire population. It is now a little less than 12 percent.

Mr. Chairman, is this not obvious that something is wrong? We have used a lot of figures heretofore showing that the farmer actually receives a very small amount of subsidy compared to others. For instance, I have heretofore put in the record the fact that from 1932 to 1952 the manufacturers in this country received a subsidy, in the nature of the tariff, of \$40.8 billion while the farmer, during the same period of time, received only \$1.2 billion as a subsidy for price supports. So you see the taxpayer gave to the manufacturer, to support his price, about 40 times as much as he gave to the farmers during the same period of time. This is definitely unfair to the farmer. The farmer, and especially the small farmer, has really taken it on the chin. A farmer's life is a good life and a happy one if he can make a living for himself and family. Millions of our people would like to live on farms if they could make a reasonably good living on the farm. But they cannot unless they receive a good, fair price for their products. The fact that they cannot make a good living on the farm is the reason so many of them have been moving off the farm. This is not good for our country and is creating unemployment in our beloved Nation. Let us put more people back on the farm, where they want to be, by providing them a fair, reasonable price for their labors and products.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, in the short time I have, I would like to say why I support the Belcher substitute. The committee proposal misleads the farmer. It dangles in front of him 90-percent support with a reduction of 25 percent in acreage and one-third payment in kind, thinking in that way they can get his vote for a program that is bound to fail.

But this is not going to solve the problem. At best it is only suggested that it will reduce the cost of the program to the taxpayer, not eliminate it. The better reasoning and authority is that it will actually raise the cost of the program.

What happens after 2 years? The temporary program is kicked out and things are in worse shape than they are at the present time.

When the in-kind payment in wheat for the acres representing the 25-percent cut provided in this bill is understood, it will be recognized that it is even more objectionable than a cash payment, and the taxpayers of the Nation will not tolerate it. This is what happens: An estimate is made of what these acres taken out of production would have produced, by taking the actual average yield for the past 3 years on the farm in question, and the farmer is given one-third of that amount out of the surplus wheat now in storage. He sells that on the market. There is nothing in this bill to increase consumption or use. Therefore, the same number of bushels will be taken from the crop currently produced and placed in surplus storage, at \$2.13 per bushel.

The proponents of the committee bill have contended that it favors the small farmer, and criticize the Belcher substitute as being against the small farmer. There is absolutely nothing to this argument. There is nothing that substantiates that a farmer, one who plants 15 acres or less, is a small farmer. A farmer who is producing wheat under the 15-acre exemption may have extensive acreage devoted to other production, may be raising other price-supported crops on which he receives large payments, and may be a very well-to-do farmer. As a matter of fact, they often are. The small farmer who is really being hurt by this 15-acre exemption is the small farmer in the historic wheat-producing areas. They have had imposed upon them a 40-percent reduction in the amount of wheat which they can grow on the land from which they have for many years made a livelihood by the production of wheat. More often than not, they cannot diversify to produce other crops. They are the small farmers that have been hurt, and if the committee bill is adopted they will be put out of business.

As long as there is an unrealistic price acting as an umbrella and distorting the market, there is no determining where the surplus wheat is produced. The only way of determining the source of the surplus would be to know the production that would be eliminated if the regular forces of cost of production and price were in operation. Wheat should be grown in the area where the economics of production are best.

The committee report correctly states that wheat is the No. 1 problem. So far as I know, it is uniformly agreed that to really get to this problem, there must be some price adjustment. The chairman of the subcommittee, the gentleman from Oklahoma [Mr. ALBERT], in speaking before the Rules Committee, stated, "In

the long run, the price must come down." Yet this bill which the majority of the committee proposes moves in exactly the opposite direction. Prices are increased, with the incentive to further increase production.

I think the best feature about either the committee bill or the substitute is that provision which does give the farmer a choice by referendum. Heretofore, he has had a choice only of high price supports and controls, or low price supports and controls. This, of course, is no choice at all. I prefer the Belcher substitute, because it gives him a realistic choice on a permanent basis. It does not mislead the farmer by dangling 90-percent supports and cash payments before him, which at best would only be temporary as the expense to the other taxpayers was made known. It does not offer incentive for further overproduction and shifts of production. The wheat farmer would be permitted to vote on whether he wanted price supports at the present rate with tighter controls, or support at 50 percent of parity with no controls. I personally think that the 50 percent is lower than need be. It would provide a support at about \$1.20. It is generally agreed that \$1.30 would be a sufficiently low price to bring about necessary adjustments in production. As a matter of fact, it is not believed by those best qualified to judge that premium wheats would ever reach that low a price. I would prefer to see the alternative be 55 percent of parity for the next 3 years, and thereafter, 90 percent of the 3-year average market price. This would give to the farmer a realistic support price, which would be a floor rather than a ceiling. It would provide for orderly marketing conditions and protect him from unjustified drops in the market, particularly in years of unusually high production due to weather or other factors.

I believe that given a realistic choice by referendum the wheat farmers themselves will most likely choose the lower supports and no controls. All polls recently taken of farmers would bear this out. A recent poll taken by the Farm Journal in April 1959 showed that of the wheat farmers themselves throughout the United States, 61 percent favored either no supports and no controls or emergency supports, such as 50 percent of parity, and no controls. When the Committee rises, I will ask to have included at the end of my remarks the tabulation at the end of this poll.

I think that the wheat farmers are entitled to a realistic choice by referendum. I hope that the Belcher substitute is adopted so that this opportunity may be afforded to them.

[From the Farm Journal, April 1959]

THE FARM PLAN YOU VOTED FOR—FROM EVERY CORNER OF THE COUNTRY THE BALLOTS CAME, SHOWING, STATE BY STATE, WHAT READERS WANT—COMPARE YOUR OWN CHOICE WITH OTHER KINDS OF FARMERS

(By Claude W. Gifford, economics editor)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So the article asked, Which of five general directions do you think future Government price-support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first 3 choices—each of which calls for less support and more freedom than past or present support programs. By all odds, the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one Midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These "percentages" proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no "run on the ballot box" from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the "no support" choice, and 1 percent fewer in favor of "high supports."

As a further check, a 14-State survey was made among fathers of vocational agricultural students—some Farm Journal readers, and some not. Eight out of 10 (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska—one by a haygrower and one by a potato-grower—both voted for no supports. One Illinois cornrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports: No controls, no floors, free market prices, get the Government clear out—55 percent.

Emergency supports: To prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price; no controls—15 percent.

Adjustment supports: Such as 90 percent of the average 3-year market price; permits gradual adjustment to normal markets; moderate production control when necessary to ease adjustments—8 percent.

High price supports: 90 to 100 percent of parity; cross-compliance and tight production controls to restrict output to available markets; bushel-and-pound allotments to limit what you could sell—14 percent.

Production payments: Let markets fall, then pay farmers in cash to make up the difference between the market price and the support level; extend supports to perishables, such as beef, pork, eggs, and fruit; strict bushel-and-pound controls to hold down costs of the program—8 percent.

	No supports	Emergency	Adjustment	High supports	Production payments
	Per cent	Per cent	Per cent	Per cent	Per cent
Connecticut.....	50	25	5	0	20
Delaware.....	91	5	0	4	0
Maine.....	71	9	5	4	11
Maryland.....	70	19	8	2	1
Massachusetts.....	77	18	5	0	0
New Hampshire.....	62	33	5	0	0
New Jersey.....	84	7	1	3	5
New York.....	78	12	5	2	3
Pennsylvania.....	80	13	3	2	2
Rhode Island.....	57	43	0	0	0
Vermont.....	72	28	0	0	0
West Virginia.....	75	17	6	0	2
Eastern States.....	77	14	4	2	3
Illinois.....	44	20	7	20	9
Indiana.....	57	13	8	12	10
Iowa.....	24	17	13	33	13
Kansas.....	46	20	10	19	5
Michigan.....	66	14	8	5	7
Minnesota.....	30	15	13	25	17
Missouri.....	52	15	7	15	11
Nebraska.....	38	15	13	25	9
North Dakota.....	34	14	11	31	10
Ohio.....	71	12	4	8	5
South Dakota.....	39	16	9	26	10
Wisconsin.....	45	12	13	14	16
Central States.....	47	16	9	18	10
Alabama.....	61	15	9	8	7
Arkansas.....	56	18	9	9	8
Florida.....	79	9	2	8	2
Georgia.....	62	3	16	11	8
Kentucky.....	51	6	22	16	5
Louisiana.....	51	17	20	5	7
Mississippi.....	57	14	14	12	3
North Carolina.....	61	4	6	23	6
Oklahoma.....	53	22	5	14	6
South Carolina.....	71	17	7	5	0
Tennessee.....	65	8	7	11	9
Texas.....	54	12	10	13	11
Virginia.....	72	15	2	10	1
Southern States.....	59	13	9	12	7
Arizona.....	48	21	24	4	3
California.....	73	13	6	3	5
Colorado.....	58	11	5	18	8
Idaho.....	51	15	9	16	9
Montana.....	55	17	5	18	5
Nevada.....	90	5	5	0	0
New Mexico.....	55	21	13	6	5
Oregon.....	63	12	7	6	12
Utah.....	71	9	9	6	5
Washington.....	70	15	6	6	3
Wyoming.....	53	18	8	18	3
Western States.....	63	14	7	10	6

What different commodity groups want

CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Central	United States	Central
Beef.....	69	59	14	15	6	8	7	11	4	7
Dairy.....	59	50	14	13	8	9	9	13	10	15
Feed grains.....	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables.....	69	63	12	15	6	8	5	8	8	6
General.....	66	55	12	12	7	10	9	16	6	7
Hogs.....	44	40	19	19	11	12	14	16	12	13
Poultry.....	77	73	14	14	1	2	3	5	5	6
Sheep.....	64	42	14	29	6	3	6	13	10	13
Wheat.....	43	41	18	16	9	11	24	25	6	7

EAST

Kind of farmers	United States		East		United States		East		United States		East	
	United States	East	United States	East	United States	East	United States	East	United States	East	United States	East
Beef.....	69	76	14	22	6	2	7	0	4	0	0	0
Dairy.....	59	68	14	19	8	7	9	2	10	4	10	4
Feed grains.....	50	87	14	6	7	2	20	4	9	1	9	1
Fruit and vegetables.....	69	80	12	8	6	5	5	2	8	5	8	5
General.....	66	86	12	12	7	2	9	0	6	0	6	0
Hogs.....	44	88	19	6	11	0	14	0	12	6	12	6
Poultry.....	77	80	14	14	1	1	3	3	5	2	5	2
Sheep.....	64	81	14	8	6	4	6	0	10	7	10	7
Wheat.....	43	78	18	17	9	5	24	0	6	0	6	0

WEST

Kind of farmers	United States		West		United States		West		United States		West	
	United States	West	United States	West	United States	West	United States	West	United States	West	United States	West
Beef.....	69	77	14	11	6	5	7	3	4	4	4	4
Cotton.....	41	33	17	33	16	21	15	9	11	4	11	4
Dairy.....	59	62	14	15	8	7	9	7	10	9	10	9
Feed grains.....	50	68	14	12	7	3	20	11	9	6	12	9
Fruit and vegetables.....	69	65	12	14	6	3	5	6	8	9	6	9
General.....	66	68	12	12	7	8	9	7	6	5	7	6
Poultry.....	77	76	14	12	1	3	3	0	5	9	0	5
Sheep.....	64	70	14	10	6	8	6	5	10	7	5	10
Wheat.....	43	44	18	20	9	8	24	23	6	5	23	6

SOUTH

Kind of farmers	United States		South		United States		South		United States		South	
	United States	South	United States	South	United States	South	United States	South	United States	South	United States	South
Beef.....	69	78	14	13	6	5	7	2	4	2	4	2
Cotton.....	41	43	17	13	16	15	15	15	11	14	11	14
Dairy.....	59	72	14	14	8	3	9	8	10	3	10	3
Feed grains.....	50	68	14	11	7	5	20	10	9	6	10	9
General.....	66	64	12	8	7	9	9	6	6	13	6	13
Peanuts and rice.....	42	39	21	18	21	23	12	16	4	4	16	4
Poultry.....	77	74	14	17	1	2	3	2	5	5	2	5
Tobacco.....	60	51	2	2	16	19	21	26	1	2	26	1
Wheat.....	43	49	18	22	9	4	24	21	6	4	21	6

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Missouri, to the amendment offered by Mr. BELCHER: Strike out all the first paragraph in section 106 beginning with the words "Notwithstanding the provisions of * * *" and insert in lieu thereof the following: "Notwithstanding the provisions of section 101 of this act, if marketing quotas are disapproved for the 1960 crop of wheat, no price support shall be available for the 1960 crop and each subsequent crop of wheat."

Mr. BROWN of Missouri. Mr. Chairman, I am opposed to the Belcher amendment, but in case it might be adopted, I propose this amendment: We

are asking the wheat farmers of America to face up to the fact that they are producing too much wheat. We are asking them to cut their acreage 25 percent. I am asking the Congress to face up to a reality, also. If you are going to have a price support program you have to have production discipline. What kind of silliness is this business of providing price support, whether it is 50 percent of parity, or whatever it is, to noncooperators? Actually both of these bills, the committee bill and the Belcher amendment, offer price supports to noncooperators. Now, you cannot have a program like that. There has to be production discipline if you are going to support prices, even at 50 percent of parity. With unlimited production, Government acquires more surplus. It costs just as much to store a bushel of wheat that the Government purchases at \$1.18

as it does one that Government purchases at \$2.12. The storage cost is the same.

Surely, the Benson corn fiasco has taught us a lesson.

Let us give farmers a chance to vote on the clear-cut choice of whether they want production discipline and price support or unlimited production and no price support. You cannot have one without the other. If they vote for production controls, they will get price supports, and if they do not vote for production controls, they do not get any price support. And on that clear-cut basis, let us see what the farmers want.

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

Mr. BROWN of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to inquire of the gentleman why he is proposing his amendment as an amendment to the Belcher amendment.

Mr. BROWN of Missouri. Because the provision is in both the Belcher amendment and the committee bill. I hope to propose it to the committee bill, too.

Mr. COOLEY. It still would be germane to offer it at a later date after the Belcher amendment is defeated. You are just attaching yourself to a very unpopular amendment.

Mr. BROWN of Missouri. I am not. I just want to make sure it is in the Belcher amendment if it happens to be adopted.

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

Mr. QUIE. Mr. Chairman, I rise in support of the Belcher amendment.

Any of you gentlemen who think you are going to put the little farmer, the fellow who will have less than 15 acres of wheat, out of business so that he cannot raise wheat any more, are plain mistaken. Practically everyone who is raising wheat has some kind of allotment. And, if we are going to have a control mechanism for handling the wheat situation, we have to close this loophole which has caused over 100,000 new farmers to go into the production of wheat each year.

As I pointed out earlier, there are three reasons why the wheat program has failed, and this is one of them, that we exempt people who raise up to 15 acres. According to the bill, it will be up to 12 acres, which could be higher than their allotment. If we continue that, this program is doomed to fail, as it is failing now. One other reason is that farmers do plant more than they are allotted. Then they plow up their poorest acres and come within a harvested allotment. Now, an amendment, I understand, will be offered which will change the Belcher amendment so that the penalty will be on planted acres rather than harvested acres. And, if you think that this bill does not do anything to the big farmer out in the West, this amendment will. There are many big wheat farmers out west who plant much more than their allotment, then they plow it under and get rid of their poorest acres. This is another one of the big reasons why we have this big

wheat surplus, and that amendment will remedy it.

Mr. Chairman, I think this is an important amendment, because it would actually get at the three reasons why this legislation has failed in the past, and it would not do what the committee bill might tend to do, price the wheat out of the market, as we have seen happen in other crops, where they have to come in and ask for a reduction in price supports. I plan to offer an amendment so that when the farmers voted in the referendum it would specify not less than 50 percent, because that is too low for the farmer to receive even if he should plant all he wanted.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I would just like to point out that one of the principal objectives of this legislation at this time is to reduce production. That has got to be a principal objective. Let us take a look at these 15-acre exemptions. The vast majority of these 15-acre farmers are feeding the wheat they raise. You can cut all of them out, and you are not going to cut off 14 million acres of wheat that is sold in the market. The only way you are going to reduce the wheat produced and sold on these 14 million acres of wheat presently in production is to reduce the production of those that have the big acreages. You have to reduce that production from big wheat farms in order to reduce the production of wheat that would be sold in the normal course. The 55 million acres minimum and equitable price supports provided should have been reduced some time ago, and we cannot alleviate the situation by leaving the 55 million acres in production and at the same time reducing price support. I urge you to oppose the Belcher amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, we have heard a lot today as we have heard for the past several years about the attempt on the part of the Secretary of Agriculture to get freedom for our American farmers. I have done a little bit of investigating in the last few weeks since the opening of the St. Lawrence Seaway. I checked with the Canadian Embassy and I have a statement from the Canadian Embassy that the Canadian Wheat Board—and if anybody is familiar with the Canadian Wheat Board, he is familiar with the fact that there is not freedom for the Canadian farmer to market beyond his quota. And there is not freedom on price. It is about \$1.25 per bushel. There is not freedom for production nor for price in Canada. But the Canadian Wheat Board is turning back the saving derived from shipping by the St. Lawrence Seaway to the producer.

What kind of an effort is being made by our Department of Agriculture to get the amount that is saved from using the St. Lawrence Seaway back to our pro-

ducers? According to the reply to my inquiries at the Department there is no program to make any return to our grain producers.

How much money is the freedom that our Secretary of Agriculture is giving to our farmers putting in his pocket? I think the real, substantial part of any program, by what we vote or do, either in the Department or in our committees, should be geared to trying to hold up the income of our farmers at the same time limiting production. That is not guaranteed by the Belcher amendment, but it is substantially guaranteed in the committee bill. I should like to be on record as being against the Belcher amendment, and as being in support of the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I cannot say that I am terribly enthusiastic about either the committee bill or the Belcher version as far as really meeting and solving this wheat problem is concerned, principally for two reasons. In the first place, both of them, I think, overlook the fact that acreage controls by themselves have been found to be insufficient to control wheat production, thanks to the genius of the American farmer in being able to increase his yield per acre for reasons known to all of us. Until we get a system at least of combined acreage allotments and bushelage allotments on this wheat production, I do not think acreage controls of and by themselves are going to offer any answer at all to our wheat problem.

Secondly, the reason I am not too enthusiastic about either one of these versions is because I think they overlook the fact that as long as we have different types of wheat in this country, as long as certain types of wheat contribute the vast majority of the wheat that is going into Government storage at the present time, as long as we have different production costs for growing wheat in various parts of the country, I think it only makes good sense to try to work out some system that will provide varying levels of price support, depending upon which type of wheat one is going to produce and which types of wheat are moved into commercial channels, and which types of wheat go into Government storage.

When we consider that we have Soft Red Winter wheat, and White wheat that together is estimated only to represent 54 million bushels of carryover beginning on July 1, 1958, out of a total of 1,283 million bushels carryover of which by far the largest part is Hard Red Winter wheat and Hard Red Spring wheat, and when we compare production costs for the soft wheats and the hard wheats, I think it only makes good sense to try to work out something to provide varying levels of price supports depending upon these individual factors.

I am disappointed that members of the committee on either side of the aisle have not taken these two factors into consideration, factors which, I believe,

would really be helpful in controlling our wheat production.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I have an amendment that I wanted to offer to the substitute to the Belcher amendment.

The CHAIRMAN. The gentleman may speak on his amendment, but no amendments may be offered at this time.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry. Would it be possible to dispose of some of these amendments at this time?

The CHAIRMAN. It would be if there were no objection. The time for debate on the pending amendments has been limited.

Mr. PELLY. Mr. Chairman, I am sorry the parliamentary situation is such that I cannot enter an amendment to H.R. 7246, similar to the amendment I offered to the tobacco price support bill. It would have prohibited employees of the Department of Agriculture or the legislative branch of Government, including Members of Congress, from benefiting under the wheat support program. In this case, however, I added a clarifying sentence to exempt any members of local agricultural committees from the provisions of this section. This was because objection was raised in connection with the tobacco bill to its possibly covering members of ASC committees who are elected by the farmers of the various communities, people who themselves are in fact farmers.

The purpose of my amendment was to establish a standard of ethics similar to the principle contained in rule VIII of the House Rules which calls for abstention in voting on measures in which a Member has a direct pecuniary interest. I have long advocated and indeed introduced legislation to set up a code of ethics for Federal employees and those in public service.

In the last session of Congress, there was much talk about the need for laws to clearly set forth such a set of standards and to eliminate conflicts of interest. However, that talk has all died down and it appears that no such legislation or ethics bill will ever reach the floor of this House.

Accordingly, my amendment would allow members to vote on a measure of this character piecemeal by the introduction of amendments to various bills to prohibit benefiting from programs by those who originate and administer the laws.

Mr. Chairman, a recent newspaper survey stated that 35 Members of Congress have shared in farm subsidies. I am not pointing the finger at any of these Members and wish to say that under existing conditions these individuals are exercising the same privilege as any other citizens and there is certainly nothing wrong about that. However, as previously mentioned, I feel that in the field of ethics one is expected to avoid any possible basis of criticism even though one has to make a personal sacrifice in order to enter public service.

It would be preferable to have a code of ethics covering conflicts of interest and ethics generally. I would like to see strong penalties written into that law. Meanwhile, since we cannot seem to get this in one piece, I am trying to accomplish the job piecemeal.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I think it is time we got down to the meat of this program and separated the wheat from the chaff. First of all, we are talking in the Belcher amendment about a group of farmers that the gentleman wants to take all the cut, the little 15-acre farmer. Just bear in mind, first of all, that they are all east of the Mississippi River. I sat on this committee for some 5 years. It was with great reluctance that I agreed that these 15-acre farmers should take any cut whatsoever because wheat fits into the rotation of their crops. They might grow corn one year and then grow wheat the next year and seed it to small grain next year and so forth. However, I realize if we are going to get at the real source of this wheat program and get the supply in line with demand, it is necessary that we take some cuts. In this committee bill, we are taking a cut from 55 million acres down to 41 million acres. All of us are taking a cut of 25 percent, but let me tell you what would happen under the Belcher amendment. Every single reduction comes from the little 15-acre farmer and not one reduction comes from the big farmer because the 55 million acre minimum stays in effect. Of course, he says if they overplant, they are going to take some little reduction. Furthermore, these little 15-acre farmers that I am talking about, in the State of Virginia we have 44,987 of these little wheat farmers out of a total of 48,892 wheat farmers, or 92 percent who would be affected by this amendment and they all grow the Red Winter bread type wheat which is not in surplus.

I am opposed to the Belcher amendment and ask for its defeat in the interest of our small wheat farmers which I am privileged to represent.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. HALLECK. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. LATTA. I yield.

Mr. HALLECK. Mr. Chairman, the chairman of the Committee on Agriculture said this wheat situation is the most critical problem involved in the whole farm program. I agree with that. I would like to say at this point that it is an expensive program that has continued to pile up surplus after surplus under rules that might have been changed had this Congress so desired, a Congress, may I say, that has been Democratic for the last 4 or 5 years.

I would just like to make this brief observation: The committee bill, in my considered judgment, will not solve either the problem of surpluses or the

continuing increased cost to the taxpayers of the country.

The Belcher substitute will do something in that direction and do it fairly and equitably, effectively and well. So, as far as I am concerned, I am going to support the Belcher substitute, and I would just like to say to my friends on the other side of the aisle: If you do not support it and vote through the committee bill—and, of course, you have the votes to do it—you will have a program that is going to continue to pile up surpluses and cost untold sums of money, and you will have to take the responsibility for it.

I thank the gentleman from Ohio.

Mr. LATTA. I may say that at the proper time I expect to offer an amendment which will reinsert the 15-acre provision which the gentleman on my left talked about.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I wish to make just this brief observation. I can understand the feeling of my colleagues who come from historical non-wheat-producing States with regard to this 15-acre proposal, and I hope those people can understand our feelings on this matter. If we had the climate and other conditions that were necessary, if we could get into the production of tobacco, and other things that historically belong to the Southern States, it would affect your markets and your economy and we would be taking away from you something that historically belongs to you.

So it is with regard to the wheat-producing area in the Middle West.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, in view of the parliamentary situation I am precluded from offering my amendment at this time, but I shall offer it at the proper time, but I take this opportunity to explain exactly what it will do.

It is the same amendment I offered to the tobacco bill yesterday except that the word "wheat" is substituted for the word "tobacco."

I do this because I am confident that the Belcher substitute will prevail. If the amendment is not made to the substitute and the substitute does prevail we will be without any limitation on this amount whatsoever.

Now, if I may, I will take a moment to address myself to the reference made relative to how we are discriminating against the poor little wheat farmers who grow less than 15 acres.

The Belcher substitute addresses itself to this discrepancy in the whole program through the years, and that applies in my own district where people have been growing 15 acres of wheat who did not have any business growing wheat in a corn and soybean area. They never grew it in years past, but now with the 15-acre exemption they do.

When I was a kid and rode a plow behind a set of mules I never saw an acre of wheat; now everybody is growing 15 acres.

When I go out to Kansas I expect to see great wheat farms. When I go down to Mississippi I expect to see great cotton and peanut plantations, and that is as it should be. I do not expect to see corn, yet a Member of the other body offered an amendment to an appropriation bill for \$100,000 to start a corn research laboratory down in Mississippi. Now I suppose you want to grow corn in addition to your cotton and your peanuts.

That is what is wrong with the whole program throughout the length and breadth of the country. The wrongs can only be righted by action taken here in the Congress.

The debate here today is vivid evidence that the wheat problem is one of the most serious situations facing the Congress. The magnitude of the wheat problem emphasizes the need for us to act courageously and decisively after a careful study of all the facts.

The wheat problem stands at the door of Congress like an unwelcome bill collector. Congress is being presented with a multi-million-dollar bill which no one wants to accept. There has been considerable discussion here as to who is responsible for the tremendous bill.

Now certainly there is some value in determining what and who is responsible for the outmoded obsolete wheat programs that have brought us to our present difficulties. But the important thing here today is for this Congress to pass reasonable, realistic, and beneficial wheat legislation so that the unwanted bill collector does not keep coming back to our collective congressional door year after year after year.

There are apparently some persons in this Chamber who wish to ignore the experience of history and also erroneously believe our unwanted annual visitor—the wheat problem—will go away if we but ignore it.

Nothing could be further from the truth. The fact is, that unless Congress acts wisely with sound wheat legislation our unwanted bill collector will return with regularity. The only difference will be that the bill presented will grow larger and more difficult to pay.

I wish to vigorously oppose H.R. 7246, the Cooley bill, because if enacted into law it would help neither farmers nor consumers.

By increasing price supports on wheat and reducing acreage, it will encourage increased production on the remaining acres and decrease consumption. The effect is obvious. It will further build up the wheat carryover and increase Government costs.

This bill would perpetuate most of the mistakes so evident in existing wheat programs. It would be a repetition of programs that experience has proven to be ineffective.

It would be somewhat analogous to a football coach ordering his quarterback to keep repeating a particular play even

though every time they tried it the team lost yardage. After several setbacks the coach and the quarterback both would know enough to try another play.

With existing wheat legislation we are suffering setback after setback. Congress has a responsibility to set the general policies and give the Department of Agriculture a workable realistic program. One of the favorite indoor sports in Washington now days is the attempt by some Members of Congress to blame a dedicated and capable Secretary of Agriculture, Ezra Taft Benson, for farm problems.

I would remind my colleagues that Congress, like a good football coach, has the responsibility to establish basic policies for the Department of Agriculture team to follow. Secretary Benson is doing an outstanding job of quarterbacking the team, but he cannot be expected to make headway unless Congress gives him an opportunity to try some other plans than the ones that have consistently provided setbacks in recent years.

Secretary Benson and the administration are striving to change the obsolete wheat laws. In essence, Congress is being asked to provide a new set of plays so we can make some headway against the very formidable opponent of mounting wheat surpluses.

There is no need for me to repeat some of the statistics that have been repeated today by the leadership on both sides of the aisle. Let me only say that the carryover as of July 1, 1959, will be about 1½ billion bushels—equal to nearly 2 years domestic requirements. This tremendous surplus of wheat now bursting Government financed storage bins is costing taxpayers the incredible sum of nearly a million dollars a day in storage and interest just to store it.

We must not continue the folly of the old wheat program. We must instill common sense into wheat legislation for the benefit of both farmers and consumers.

The President and the administration have recommended a reasonable, realistic, and beneficial wheat program that should be passed immediately.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAGEN. I have had an amendment at the Clerk's desk for some time. When may it be offered?

The CHAIRMAN. It cannot be offered until the pending amendment is disposed of. The gentleman may proceed.

Mr. HAGEN. Mr. Chairman, I want to say to you people from the urban areas who feel a little uncertain and confused about this whole issue, that I do not blame you. We studied this bill in our committee for months and months, and heard and reheard witnesses, and then the bill went in and out of the committee three times, like a yo-yo, before finally being argued before the Rules Committee.

Examine the Federal budget and you have to turn far to find any expendi-

ture that is of urban orientation, but you do not have to look very far to find something that is of rural orientation. I would like to comment further on the subject of consistency. I have learned on the Committee on Agriculture that consistency is not a virtue. We have the same Members up here today advocating giving everybody 15 acres of wheat who yesterday opposed giving everybody 2 acres of tobacco.

The Belcher amendment, as I have indicated before, will provide some permanent improvement in the wheat program. The committee bill does nothing permanent, it does nothing even temporarily, to greatly reduce this surplus. It increases the price tag on wheat from \$1.81 per bushel to \$2.13 per bushel, and it is going to cost the taxpayers a great deal more money than the current situation.

At the proper time I will offer an amendment to the Belcher bill which I feel will make it accomplish much more in the way of reduction of production than it does currently, and I hope it will be accepted. I understand the author of the Belcher amendment will accept it.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I may say to the gentleman from California [Mr. HAGEN] regarding his amendment relating to the basis of planted acres rather than harvested acres, that I for one will accept such an amendment.

Mr. Chairman, in my general remarks on the bill on yesterday I laid down two criteria if we are to have effective legislation. The first is that legislation must actually bring about a reduction in the surplus of wheat and, secondly, it must be shown that any new proposal must cost less money than the present program.

The Belcher substitute will reduce production. It will reduce production from 150 million to 175 million bushels a year.

Now as to cost, and you are all interested in cost, may I present the following tables:

Estimated cost to CCC under Belcher amendment assuming marketing quotas are approved

I. PRICE SUPPORT ACTIVITIES	
Allotted acres.....	55,000,000
Estimated harvested acres (allowing for normal abandonment and underplanting of allotment and conservation reserve).....	48,500,000
Estimated yield (bushels per acre).....	22.5
Estimated production (bushels).....	1,090,000,000
Estimated utilization (500,000,000 bushels of food, 120,000,000 bushels of feed and seed, 450,000,000 bushels of exports), total bushels.....	1,070,000,000
Estimated net increase in CCC stocks (bushels).....	20,000,000
Estimated cost to CCC in increased inventory at \$2 per bushel.....	\$40,000,000
Increased cost to CCC from other grains acquired.....	140,000,000
Export subsidy on wheat (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	405,000,000

II. PRESENT PROGRAM	
CCC acquisition costs (130,000,000 bushels, at \$2).....	260,000,000
Export subsidy (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	485,000,000
Savings in cash outlay to CCC.....	80,000,000

Estimated savings in cash outlay by CCC under Belcher amendment assuming marketing quotas are voted out

Price support operations:	
Estimated acres seeded.....	79,000,000
Estimated acres harvested (11 percent abandonment).....	70,000,000
Estimated harvested yield (bushels per acre).....	21
Estimated production (bushels).....	1,470,000,000
Estimated disappearance (bushels).....	1,230,000,000
Estimated net increase in CCC inventory (bushels).....	240,000,000
Estimated acquisition cost, at \$1.40 per bushel (includes price support at \$1.18 plus normal costs of handling incident to acquisition).....	\$335,000,000
Savings from less CCC acquisition of other grains.....	200,000,000
Net cost to CCC of additional wheat.....	135,000,000
Present wheat program:	
CCC acquisition costs (130,000,000 bushels, at \$2).....	260,000,000
Export subsidy (450,000,000 bushels, at 50 cents).....	225,000,000
Total.....	485,000,000
Savings in cash outlay by CCC.....	350,000,000

If marketing quotas are approved under the Belcher amendment, there will be a saving of \$80 million. If marketing quotas are voted out, there will be a saving of \$350 million. That "ain't" hay.

Mr. Chairman, the Belcher substitute should be adopted. It has the approval of the Department of Agriculture, the American Farm Bureau, and all those who want sound wheat legislation. It is our best hope if you really want wheat legislation enacted into law at this session of the Congress.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in opposition to H.R. 7264, the wheat program for 1960 and 1961, and substitute proposals.

The farm program has become a national disgrace. I think that we ought to kill this multibillion dollar wheat scheme entirely. It appears that this is the only way in which the American taxpayer can bring the farming industry to realize that the American public is fed up with a continuance of this scandalous program.

The United States now has more than a 2-year supply of wheat on hand in storage bins. It has cost the Government over \$3 billion of the taxpayers money to purchase the grain and for storage. Despite this oversupply, we are asked today to approve alternate programs which will not reduce the wheat supply nor cut the cost to the taxpayers.

Wheat is being produced today for as little as 60 cents a bushel and Uncle Sam is being asked to pay the farmer \$1.90 a bushel for his surplus. This is an unrealistic program which is making the prosperous farm proprietors richer and bigger.

Mr. Chairman, we will never come to grips with this problem until we kill the present program with its unconscionable incentives that add fuel and fan the flames of the farm conflagration

that continues to grow and spread. There must be, there has to be, a better way to tackle the problem. We just cannot go on compounding this problem as the legislative proposals before us would do.

There is so much wheat now stacked up in Government warehouses that we could kill this program today and not grow another bushel, and we will still have enough wheat to take care of our American and foreign needs.

Mr. Chairman, I have said this before and I repeat it now. The consumers of my district have a real stake in seeing that the abuses in this program are corrected on a reasonable basis, instead of permitting a perpetuation of the current scandal.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have listened attentively to the debate, which has been on a very high plane. One thing is certain: Everybody recognizes that something has got to be done. Everybody recognizes that in the national interest and the best interest of our country some legislation must pass in order to assure the wheat-producing areas of our agricultural community an opportunity to live and to survive.

Now, under the committee bill there is going to be a reduction of 25 percent or about 14 million acres of wheat, which is a matter of vital importance. Under the Belcher amendment there is no assurance of any such reduction, because the result of the Belcher amendment will be to assure high production.

Under the committee bill the small farmer is protected, and under the Belcher amendment he is not protected. The Belcher amendment, as usual, coming from the Republican side, protects the big fellow. The committee bill, coming from the Democratic side, is in the interest of the small fellow as well as not being discriminatory against the big producer.

Now, my friend, the gentleman from Oklahoma [Mr. BELCHER], referred to the gentleman from Oklahoma [Mr. ALBERT]. There is no more dedicated Member of the Congress than the gentleman from Oklahoma [Mr. ALBERT]. He sits here as a Democrat, but he is a great American. He is the chairman of this subcommittee, and for 6 months under his chairmanship this subcommittee has devoted itself assiduously to this most important and responsible task. You heard his speech earlier today. Did you ever hear a more sincere and dedicated legislator speaking than my friend the gentleman from Oklahoma [Mr. ALBERT]; a man thinking in the interest of the farmer in a fair way and thinking of the interest of the country? With all due respect to my friend the gentleman from Oklahoma [Mr. BELCHER], if I had to select between him and the gentleman from Oklahoma [Mr. ALBERT], I am willing to follow CARL ALBERT's leadership.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close debate.

Mr. COOLEY. Mr. Chairman, I would like to conclude debate on the Belcher amendment by pointing out to the House, particularly to those gentleman on the other side of the aisle, that the Belcher amendment repudiates, in fact, one of the great recommendations made by the President of the United States. In his message on January 29, the President said this in making his recommendations: Eliminate the 55-million-acre minimum to allow adjusting acreage to the amount of wheat that can be sold for dollars under the price support that prevails. Now, that has been completely ignored by the gentleman from Oklahoma [Mr. BELCHER]. And, he admits on the floor of the House that all we will have accomplished by his amendment is to eliminate the small wheat producer whose acreage is under 15 acres. In other words, the Belcher amendment proposes to plow under for ever and ever all of the little wheat producers of America.

Now, some years ago we had a lot to say about plowing under crops and about plowing under little pigs, but as the Department of Agriculture now is operating, we are plowing the farmers under at the rate of about 1 million a year. Now, in addition to the 4 million that have been plowed under since 1953, the proposal is that we plow under all other little wheatgrowers.

I want it clearly understood that if the Belcher amendment prevails, the wheat problem will be aggravated and the more than \$3 billion we now have invested in wheat will be substantially increased in the next year, and finally the wheat program will break down the whole farm program, which I think is vital to the welfare and the happiness of all of our people.

So, I hope, Mr. Chairman, that the Belcher amendment and all amendments thereto will be defeated and then we will move on to the consideration of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BROWN] to the Belcher amendment.

The question was taken; and on a division (demanded by Mr. BROWN of Missouri) there were—ayes 35, noes 92.

So the amendment to the amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE to the amendment offered by Mr. BELCHER: On page 1, line 9, strike out "50" and insert in lieu thereof the words "not less than 50."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. HAGEN. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN to the amendment offered by Mr. BELCHER: On page 7 add the following new section:

"Sec. 7. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by

adding at the end thereof the following: "The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 percent or 3 acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and acreage devoted solely to wheat for pasture in accordance with regulations prescribed by the Secretary; and

"(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 percent of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 percent of wheat by weight."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 97, noes 132.

So the amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment to the Belcher amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL, to the amendment offered by Mr. BELCHER: Page 2, line 5, after the word "therefor" strike out the period, insert a colon, and add the following: "Provided further, 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 or purchases made or made available by Commodity Credit Corporation to any person on the 1960 production of wheat. For the purposes of this proviso, 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. 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 persons through such cooperative marketing organization shall be included in determining the amount of price support received by such person for purposes of such limitation. Such limitation shall not apply to price support on wheat extended by purchase of wheat from, or by loans on wheat to, persons other than the producers of wheat if the Secretary of Agriculture determines that it is impracticable to apply such limitation. The Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to prevent the evasion of such limitation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL] to the

amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The question was taken; and on a division (demanded by Mr. MICHEL), there were—ayes 99, noes 136.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Oklahoma [Mr. MORRIS] to the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask for tellers on this vote.

Tellers were ordered, and the Chairman appointed as tellers Mr. ALBERT and Mr. BELCHER.

The Committee divided; and the tellers reported that there were—ayes 114, noes 168.

So the substitute was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 14, strike out "equal" and insert "in addition to."

On page 3, line 18, strike out "thereon";

On page 3, line 19, after the word "harvested" insert: "on any acreage diverted from the production of wheat."

Mr. QUIE. Mr. Chairman, I am sorry the Belcher amendment lost because it would have meant more money for the wheat farmers at less cost to the taxpayers. But if we are going to accept this committee bill there are a number of changes that ought to be made to actually do the job.

There are two directions we can go in any agricultural legislation: One is to vote high price supports with controls, and we really need controls to make it work as has been proven time and again. That is what has been done in tobacco in the past. The other way we can go is to allow the farmers to raise all they want to and only give them a very low price support.

One of the ways the farmers are going to be compensated for reducing their acreage by 25 percent is to give them 90 percent of parity for their crop. The other way of compensating them for cutting back 25 percent on acreage is to pay them in kind one-third of their normal production or their actual production for the last 3 years. I believe they are compensated in sufficient amount by guaranteeing them 90 percent of parity. I think the payment-in-kind provision should be used for a further reduction in acreage. The 25 percent reduction will not be sufficient to cut back on the amount that is in surplus to the degree necessary. I do not believe it will cut back on the amount of surplus at all unless weather did it.

If we do allow for payment-in-kind, it should be used only to encourage further reduction below the 25 percent

provided in this bill. This would be a good use of that payment-in-kind and would be an advantage to the price support program and would be an advantage to the taxpayers because it would cut down the cost to the Federal Government.

Mr. Chairman, this payment-in-kind provision could be used, so the farmer would further reduce his acres and he would be repaid one-third from the Federal surplus stocks. This would mean that the farmer would not be producing three-thirds of his normal production on specific acres, but he would be putting one-third of his production into the market from his payment-in-kind and it would actually cut back on the amount of wheat laying in surplus.

Mr. Chairman, in explanation of my amendment, it would require a producer to take a 25-percent reduction in wheat acres without any payment-in-kind. If the producers should voluntarily reduce their acres of wheat by more than the required amount, they would be eligible to receive payments-in-kind for the wheat acres they retired in addition to the required amount. In other words, each farmer would be required to take a 25-percent cut in wheat acres without compensation other than an increase in price supports by 15 percent, but he would be eligible for payments-in-kind for voluntary cuts in addition thereto.

Mr. Chairman, I urge the adoption of this amendment.

Mr. COOLEY. Mr. Chairman, the gentleman is a member of the House Committee on Agriculture, and he has attended the hearings, but he did not submit this proposal to the House Committee on Agriculture. I do not know what the purpose of the amendment is.

Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto, and on the bill, do now close.

The question was taken; and the Chair being in doubt, the committee divided and there were—ayes 145, noes 99.

So the motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Under the circumstances is not action of that kind coercion?

The CHAIRMAN. The Chair will state that that is not a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. This means that there is no more chance of amending the bill?

The CHAIRMAN. Oh, no. That was limiting debate on the gentleman's amendment.

Mr. COOLEY. And all amendments thereto.

The CHAIRMAN. The Chair advises the gentleman that additional amendments can be offered, but they will not be debatable.

Mr. QUIE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. In other words, this means that I can offer my amendments but cannot say a word about the amendments; is that right?

The CHAIRMAN. The amendments will be reported by the Clerk and be voted upon.

Mr. QUIE. Well, there seems to be no use doing that, because I will not have an opportunity to explain the amendments.

The CHAIRMAN. Does the gentleman have an amendment he desires to offer?

Mr. QUIE. Yes; I have a number of amendments, but I do not care to just offer them and not speak on them.

Mr. HAGEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN: On page 11 add the following new section:

"Sec. 6. Subsection (c) of section 374 of the Agricultural Adjustment Act of 1938, as amended, is amended effective with respect to the 1960 and subsequent crops of wheat by adding at the end thereof the following:

"The provisions of this subsection (c) shall not apply to the acreage planted to wheat if such acreage exceeds the applicable farm wheat acreage allotment by more than 3 per centum or three acres, whichever is greater. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, except—

"(1) Any acreage of self-seeded (volunteer) wheat that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary;

"(2) Any acreage of wheat which is planted for cover crop in counties designated by the Secretary as counties where wheat is normally used as cover crop and which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary; and

"(3) Any acreage of wheat planted with other grain which is disposed of prior to harvest in accordance with regulations prescribed by the Secretary or with respect to which the producer establishes to the satisfaction of the Secretary in accordance with regulations prescribed by the Secretary that the quantity of wheat planted in the mixture did not exceed 25 per centum of the seeded mixture by weight and the actual production of the acreage planted to the mixture did not contain more than 25 per centum of wheat by weight."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The question was taken; and on a division (demanded by Mr. HAGEN) there were—ayes 105, noes 148.

So the amendment was rejected.

PROGRAM FOR THE BALANCE OF THE WEEK AND THE WEEK OF JUNE 15

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Is there any way by which I can be recognized for the purpose of inquiring of the majority leader as to the program for tomorrow and possibly for Monday of next week?

The CHAIRMAN. The gentleman may make a unanimous-consent request to proceed for that purpose.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to address the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, I asked for this time, as I have already indicated, in order to inquire of the majority leader concerning the program for tomorrow and, although I realize it is a little early, give us some information as to what the situation will be on Monday next.

Mr. McCORMACK. I am very happy to. With the conclusion of this bill today, on tomorrow there will be the research bill in connection with coal. That will be all. In the event there is a rollcall on that, because a number of Members are going away to attend a meeting of the Shriners at the Great Lakes, which is taking place in Peoria, Ill., on Friday and Saturday, any rollcall will go over.

On Monday there are six suspensions.

H.R. 3608, a bill to authorize the Secretary of the Navy to acquire certain land in the island of Guam.

H.R. 7650, to modify the pension program for veterans of World War I, World War II, and the Korean conflict and their widows and children.

H.R. 7537, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954.

House Joint Resolution 280, extension of interstate compacts on oil and gas.

H.R. 4049, relating to airline pass privileges.

H.R. 7062, providing for payment of annuities to widows and dependent children of comptroller generals.

After that, I can announce definitely, there will come up the mutual assistance authorization bill.

Mr. HALLECK. Am I to understand that if there are votes on Monday they will be called on Monday?

Mr. McCORMACK. Any rollcall votes on Monday will be called.

Mr. HALLECK. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 2, line 10; page 3, line 14; page 4, line 21; page 9, line 10; strike out "25" and insert "30."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 3, line 9 after the word "acreage" insert

the following: "Provided further, That the farm wheat acreage allotment shall be adjusted to zero and no crop produced for harvest on the farm in 1960 or 1961 shall be eligible for price support if any crop whatsoever is harvested or grazed on that percentage of reduction of the farm wheat acreage allotment designated by section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended."

Mr. JENNINGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENNINGS. Would it be in order to ask that the gentleman's amendments be read and voted on en bloc?

The CHAIRMAN. The gentleman proposing the amendments would have to make that request himself.

The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 8, line 11, strike the words "amended to" and strike out lines 12 through 21 and insert in lieu thereof "repealed effective beginning with the 1960 crop of wheat."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 11, line 7, add the following new section:

"Sec. 6. The Secretary shall, after making such study as may be necessary, devise a program for the control of wheat production on the basis of restrictions on the quantity produced or marketed rather than on the basis of restrictions on acreage planted as in effect under part III of subtitle B of title III of the Agricultural Adjustment Act of 1938. "The Secretary shall submit to the Senate and House of Representatives a report containing a detailed description of such program, a draft of the legislation necessary to put it into effect, and his recommendations with respect to the advisability of adopting such program. Such report shall be submitted as soon as practicable, but in no event later than January 1, 1960."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, I am truly appalled by this gag rule being imposed on any further amendments to H.R. 7246. Wheat is the No. 1 agricultural problem facing our Nation. If we are to have a sound program which will be of lasting benefit, we should carefully debate and consider all amendments. Several Members of this body beside myself have amendments of substance and importance which ought to be considered.

Everybody knows that the mere reading of an amendment by the Clerk is in no way explanatory of the effect of such an amendment. I object most strenuously to the denial of the opportunity to even explain the effect of, and the reasons for, my amendments to this important bill. I will at a later date insert into the Record a full explanation of my various amendments, if the majority Members who voted for this arbitrary abuse of free speech are interested.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: On page 8, line 16, strike out lines 16 through 21.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: Amend section 106 by striking the period following the word "certificate" in line 8, page 4, and inserting the following: "Provided, however, That in such cases as the Secretary deems advisable to avoid administrative, transportation, and other costs, or to avoid loss from untimely marketing, or to provide a more balanced market in compliance with the objectives of this act, the Commodity Credit Corporation shall redeem such certificates in cash, in lieu of wheat, upon presentation by the producer, or by any holder in due course, in accordance with regulations prescribed by the Secretary."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The amendment was rejected.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I offer this amendment in an attempt to make the payment-in-kind provision in this bill less objectionable. Under the provisions of this bill, it is estimated by the Library of Congress that production in normal years will be 960 million bushels. Domestic consumption and exports are expected to exceed imports by 1,050 million bushels. That means that in a normal year the production will be 90 million bushels less than the disappearance. Under normal circumstances the Commodity Credit Corporation would then have a market for 90 million bushels of the wheat that is now in storage; but in this bill is a provision for distributing as a "payment in kind" of at least 125 million bushels. In years when the market is already glutted and the price is lower, more bushels would be distributed. The worse the problem, the more the payment-in-kind provision would aggravate it. This clearly would throw the market out of balance and defeat to a great extent the purpose of the act. That excess wheat would either move into the feed-grain market and

wreck the whole wheat and feed-grain market worse or, in the alternative, it might be replaced in the Government bin with new wheat. To the extent that it is replaced with new wheat, the Government would incur charges for moving wheat out, moving wheat in, and duplicate costs for storage. This would be an unnecessary duplication of expenses. This amendment would permit the Secretary to avoid this ridiculous situation to the extent that additional expense would be required to produce nothing.

Under this bill, a scalper will buy the wheat certificates and may demand payment in New Orleans or anywhere, whether the Commodity Credit Corporation has wheat there or not. The scalper would certainly be able to buy the certificates at less than the value of the grain because a farmer is not going to go through all the red tape necessary to get a few bushels of wheat if he can sell his certificate for perhaps even 75 percent of face value. This means that for each \$1 worth of wheat distributed, the farmer would receive only 75 cents and then the Government has the cost of redeeming the certificate with wheat wherever the scalper or dealer demanded. It may very conceivably cause the Government to ship and incur the expense of transporting wheat thousands of miles. Under this amendment, the Secretary of Agriculture could avoid these costly and ridiculous situations. He has standing authority under section 407 to sell wheat and under these circumstances he could under this amendment sell wheat where it happens to be located and pay off the certificates with the money instead of shipping the wheat all over the country at great expense to the taxpayer with no benefit to the farmer.

Payment in kind as written in this bill is nothing less than the most expensive way possible to pay the farmer for land taken out of production and with the maximum amount of red tape. If the feeling of this House is that the wheat farmer should have some additional income in addition to the increase in support rate in this bill, then it would be far cheaper for the Secretary of Agriculture to sell the amount of wheat involved to the highest bidder at the bin site and distribute the money instead of going to all of the expense and red tape involved in distributing certificates to be sold at a discount which requires the Government to later distribute wheat to the holder of the certificate.

There was a payment in kind provision in the soil bank act which made it permissive for farmers to receive a commodity at a bargain price in lieu of cash. A total of only two-tenths of 1 percent chose to take payment in kind and 99.8 percent rejected it. This bill requires farmers to hurdle all that costly red tape that 99.8 percent have shown they do not prefer and with a loss to the Government in comparison to the alternative authorized under the amendment.

Mr. Chairman, the payment in kind provision in this bill is not only a costly provision but it is also an illusion that would in its operation go far toward de-

feating the objectives and the good provisions of the bill. This amendment would make it less objectionable and give the Secretary the tool with which he could avoid some ridiculous situations that are bound to arise which will be derogatory to the reputation of the wheat program. Although I realize there is a probability that the payment in kind gimmick as it is now written will be taken out in conference anyway, I feel that the facts should be presented to the House and I hope the amendment will be adopted instead of waiting on the conference to either eliminate or improve this situation.

Mr. ULLMAN. Mr. Chairman, it has been said here today that the committee bill is special legislation sponsored by the wheatgrowers of the Nation. Nothing could be further from the truth. This bill, which the committee has brought to the floor, represents a most sincere and responsible approach to a solution of a critical wheat problem. It is accepted by most of the wheat ranchers because they are willing to face up to their responsibilities toward getting production in line with consumption by realistically accepting the necessity of curtailing production.

Do you think my wheat ranchers like the idea of a 25-percent cut in their wheat allotment? They do not. Let us look at a typical 500-acre family farm in my district. Because half of the acreage must lie fallow each year, this farmer has 250 acres available for production. Under the present program, he has already been subjected to severe acreage restrictions. His wheat allotment today is 150 acres. Another 25-percent cut would reduce his wheat planting to 112½ acres which is less than 45 percent of his production capacity.

Some question has been raised as to the need of 90 percent of parity. I want to make it clear here that this family farmer cannot stay in business with such sharply curtailed acreage if he receives less than 90 percent of parity. As a matter of fact, these will be lean years under the program offered today.

This is responsible legislation. It will meet head on the critical problem of mounting surpluses. Wheat acreage will be cut from 55 million acres to 41 million acres. It will be necessary to dip into our surplus to meet annual requirements. Wheat will be taken out of storage, relieving the taxpayers of burdensome warehouse costs. The committee has worked hard and long on this bill. They admit it is not perfect but it is the soundest approach we can make to a most difficult problem. I urge my colleagues to vote for the committee bill.

Mr. HORAN. Mr. Chairman, I am well aware of how difficult it becomes to write a piece of Federal legislation affecting a commodity which can be produced in every State in the Union. I appreciate the work which the Committee on Agriculture has done by trying to find some basis of agreement regarding a wheat bill. And, I am also appreciative of the opportunity to listen

and to participate in this debate. I realize also the conflicts that arise when any adjustments are attempted to be made in the area which involves the entire field of feed grains, since, of course, anything that we might do to alleviate the wheat surplus must take cognizance of the permission to feed grain to livestock.

However, the bill before us does not fit my district at all. Most of the wheat farmers in my district are commercial producers of wheat. They are important producers and they farm reasonably large acreages. My district has a high percentage of self-owned farms and they produce sizable bushelages on their farms. It is worthy of note that very few wheat producers in my district exceed the \$50,000 limitation and most of those are just barely over that proposal which we passed when we had the agriculture appropriations bill before us.

One thing about this bill which disturbs me is that a high percentage of the wheatgrowers in my district practice summer fallow, meaning that they farm one-half of their acreages each year and cultivate the other half so in the dry climate they can have water conserved over a full year for the next year's crop. It is meaningful then to me that any reduction in the half that is farmed, places a tremendous burden on the wheatgrowers in my area. This bill does not reach their needs.

Another item that bothers me and which I feel needs some clarification—I do trust that I am correct in my observation regarding it—is the matter of the 15-acre wheat producer. I believe that this privilege extended to 1¼ million farms has had the effect of moving the center of wheat production out of the commercial areas and into those areas where 15 acres of wheat, subject to price support, becomes little more than a money crop and contributes greatly to our surpluses. I have heard the figure “600 million bushels” used and, of course, this figure would explain our wheat surplus eloquently. Moreover, much of this wheat is produced in areas of comparatively high rainfall and its milling qualities are very, very poor.

I take note of the fact that it is proposed here to reduce the 15 acres to 12 and it is said that this reduction will add nearly 100,000 wheat producers to those subject to penalty. However, as far as I can analyze this, it is the reduction of 15 to 12 that aids these hundred thousand wheat producers and, if this is true, it merely adds to the imbalance of wheat production in the United States and solves nothing. It complicates the problem still further.

There are some who feel, “Well, let us pass a bill and send it to conference.” As for that, I can only observe that if we cannot write a good bill in committee, we have a small chance of writing an acceptable bill in conference. Bear in mind that all we have to vote on are the proposals which will come before this Committee of the Whole House and consequently, any judgments which we may make, have to be predicated upon the bill before us.

In conclusion, I would like to refer to an editorial published May 21 in the *Odessa Record* in my district. This fine country paper is published in the heart of the Wheat Belt in my district. *Odessa* has no other industry other than wheat. The *Odessa Record* comments that this week's announcement of proposed farm price legislation causes local farmers to believe they have been led to go along with a losing scheme. Although the farm program has been far from satisfactory in recent years, the farmers have given it their vote and support. They have theorized that a sensible plan will be forthcoming. They continue in the editorial to state that if the present program should pass Congress, as announced, the only hope is that a Presidential veto will follow. They further state that in the meantime farmers are trying to answer the challenge that faces them and if a vote were to be taken this week, there would be a surprising vote against the entire program. And, the *Odessa Record* continues to editorialize that farm-supported groups such as the Grange and similar organizations have studied the Nation's need and they came up with what they considered sound programs, but have failed to get their ideas considered in national policy levels. The editorial concludes that like the tax revolt in our State of Washington, it is now up to the farmer to stage his own revolt and write to Congress in a way of not condemning but rather carry suggestions from the farm level to change congressional thinking.

Of course in this editorial they are referring to the domestic parity program which originated in Washington and Oregon and which has been largely endorsed by the National Association of Wheat Growers and the National Grange. All over the United States where editors and analysts observe the imbalance of wheat production, the cry goes out to, at least, give the domestic parity program a chance to be tried.

Mr. DIXON. Mr. Chairman, in reading the majority statement on H.R. 7246, I am struck by one thing. The only part of the majority statement to which I can subscribe in full is the first sentence, "Wheat is the Nation's No. 1 farm problem." Let us review together each of the major points made by this statement and point out the half truths therein.

The majority view as stated in the committee report is that the U.S. exports of wheat since 1953 have declined in comparison with the previous 6 years. Now, the period which the majority report is talking about is the period from 1947 to 1952. This was both a post-war reconstruction period and a war period. During this war-dominated era in excess of 1,100 million bushels of wheat were purchased by the Federal Government for military procurement and for export under the Marshall plan. Certainly I would agree that the wheat purchased for the military and to feed war-ravaged peoples was essential. However, to use actions taken under the exigencies of war and the insatiable demands of war as proof of the fine job done during

his period in marketing wheat is as phony as a \$3 bill. Certainly no one would expect the majority to claim credit for the war. Similarly, the majority should not boast about war-related export actions entirely paid for by the taxpayer.

This majority statement also states that during the 1947-52 period U.S. exports amounted to 43 percent of the total world movement of wheat. As I pointed out earlier about one-half of our exports were made for military procurement and under the Marshall plan. Also, when the productivity of the war-ravaged world was restored the ability of other countries to export was greatly increased. During this period production of wheat outside the United States increased by 2.8 billion bushels or over 60 percent. Of course, some of this went into export.

It is rather interesting that this statement also refers to supplies of wheat and makes a comparison between 1952 and 1958. I well recall that Secretary Brannan, prior to his departure from office, announced 90 percent of parity price supports with unlimited production for the 1952-53 crops of wheat. This was really playing fast and loose with the American taxpayer. By June 30, 1954, the carryover from the Brannan announced 1953 and earlier crops had increased to 933 million bushels—up 700 million bushels in 2 years. This was Brannan's folly. But the CCC had to pick up the tab to the tune of \$1.8 billion. Half truths, half truths, what foolishness is uttered in thy name.

Another half truth which the majority is attempting to foist on this body is the fact that Russian exports have increased by 500 percent in 2 years. Now the statistics are accurate. They come from official Government sources. Those same sources also show that 82 percent of these Russian exports went to Iron Curtain captive nations. I am not sure just what the majority statement is implying by these glowing statistics. I ask the Chairman, what is the purpose of including these statistics when 82 percent of these exports go to captive countries? Does the United States have captive countries upon which it can impose its wheat surpluses?

It is hard to see how proponents of the bill could argue that its provisions meet the major objectives of the wheat program recommended by the President.

The most glaring shortcoming in H.R. 7246 is that it would increase mandatorily the support level of wheat from 75 to 90 percent of parity at a time when surplus supplies are at an alltime high and there is little outlook for improvement. There is no reasonable basis for this kind of proposal.

Advocates of the bill indicate that other provisions will effectively control the size of the wheat crop, and because of this, there is no validity in the contention that the higher support level will encourage extra and unwanted production. But this is not the real story. We recognize that other aspects of the bill would provide some control on wheat

production but this alone does not justify the case for 90 percent of parity. We all recognize—or should recognize—that such an unrealistically high support level would provide additional incentive for producers to intensify their production effort and practices—this leads inevitably to even higher yields and thus offsets any advantage resulting from the acreage reduction contemplated. Simply stated, high support prices have cost us markets in the past, and they will continue to do so in the future.

Just how much reduction in supply is likely to result from this bill which would establish support levels at 90 percent of parity for both the 1960 and 1961 wheat crops? Let us take a close look at this: wheat acreage would be reduced by perhaps 25 percent, if everyone participates, but the acreage still in production at yields which are continually trending upward will produce about as much as we are likely to require—in fact it will produce more than we can dispose of domestically, and export for dollars. But the bill also provides for making payments in kind, that is from CCC's surplus wheat stocks, to producers who comply with the program. This wheat representing payments in kind, while not eligible for price support, is freely available for marketing without penalty and thus becomes a part of the free supply. The quantity involved may be well over 100 million bushels.

Costs of the bill would be very high when one considers the combined effect resulting from the 90-percent price-support provision, coupled with payments in wheat for reducing wheat allotments below 55 million acres, and added to higher export subsidy costs which clearly would result. Subsidy costs are bound to increase: When the mandatory support level is raised from 75 percent to 90 percent of parity, the wheat price per bushel in the market is increased by about 45 cents, based on the current calculation. If we make strenuous efforts, as we should, to maintain traditional wheat export markets, and are "fortunate" enough as to export as much as 450 million bushels, extra costs of the wheat export subsidy alone would amount to around \$200 million annually.

The bill also makes a change in the 15-acre wheat marketing quota exemption; this seems to be largely window dressing. It does not eliminate the provision, as the President recommended if the control route is to be followed, but the report on H.R. 7246 states that it "deals equitably with the 15-acre wheat farmer." What it actually does is to reduce the exemption to the farmer to 12 acres or the highest planted acreage in 3 years, 1957, 1958, or 1959. There is some reason to believe that this provision was included in an effort to pick up a little more support from those who may be persuaded that the bill is following control route recommendation in its major provisions. Other provisions may have been included for the same purpose, that is, elimination of the 200-bushel marketing quota exemption, and establishing voting eligibility provisions

on the previous year's planting record; but these provisions are likely to have little effect on the overall program. Why is the small family wheat farm discriminated against?

The bill also goes a long way in imposing additional restrictions on farm operations. The 25-percent reduction of wheat acreage would require additional visits and checkups on farms and farming operations. An even closer look would have to be taken if a farmer applied for payments in kind, since eligibility for such payments is contingent upon withholding the acreage involved from all crop production and from grazing. Aside from the additional restrictions on farmers, all these visits, and resulting extra recordkeeping, cost money; administrative expenses of the program are likely to be much higher.

So off we go. Costs are higher; the bureaucracy is greater and the disappointments will be more evident. Let us stop stopgapping. Let us vote this bill down.

Mr. ROBISON. Mr. Chairman, like most of us, I fear, I have been sitting here this afternoon listening to the debate on H.R. 7246—the wheat bill—and only growing more and more confused.

So far as I can figure out, the only point on which there is general agreement is that the existing law has failed, and failed miserably. Here is what this Congress has achieved to date: A year from now our wheat surplus will amount to 1.5 million bushels, an amount three times greater than our annual consumption of wheat and wheat products for food. The total Federal investment in that surplus will be \$3.5 billion, and we are already spending over a million dollars a day just for storage, interest, and transportation costs on this mountain of wheat. We almost literally are up to our ears in wheat.

Well, now, it's easy for me to criticize, Mr. Chairman, because all of this started before I joined this august legislative body. I am reminded of the old story of the Sunday school teacher who asked her class of youngsters who stole the gates of the temple. All of her pupils looked at each other blankly, having forgotten their lesson, until one little boy began to cry. The teacher asked him what the trouble was, whereupon he said, through his tears, "Please, teacher, it wasn't me; I only moved to town last week."

But, without seeking to blame anyone for having tried with all sincerity and all the wisdom they possessed to help the wheat farmers of this Nation, isn't it time, Mr. Chairman, to put an end to this madness? I think I know what the farmers of my congressional district want, and that is a return at long last to the sane, healthy, free enterprise, supply and demand basis American agriculture was on prior to the beginning of this uneconomic and endless tinkering which has proved such a hurt to every citizen of the United States. Isn't it time for us to admit that the original diagnosis was wrong, or is at least terribly outdated today, instead of continuing to prescribe one different program after another without seeming to note or care that our patient is dying?

I think it is, and, with the thought in mind of giving all those who feel the same way a rallying point, I am today introducing a bill which, very simply, ends the entire Federal farm price-support program. It may never see the light of day after it is referred to committee, but we have got to start somewhere and I think today is the day.

Mrs. MAY. Mr. Chairman, it is my view that H.R. 7246, which was reported out of the House Committee on Agriculture, is a shortsighted stopgap measure which attempts to go in several directions at once, and does not begin to meet the critical wheat issue. As a member of the Agriculture Committee, I refused to endorse it. This is a grossly inadequate bill which in no way answers our most pressing farm problem, reduction of our present oversupply of wheat. I see little point in adopting this 2-year program that solves nothing, so that in 2 years the Congress will be faced with today's farm problem compounded by our failure to squarely face the problem now.

The Washington and National Association of Wheat Growers and the National Grange have given long study to and generally agree that the permanent program of the wheat stabilization plan is the best solution in attempting to solve the crisis in wheat. Many thinking wheat farmers and others vitally interested in the national problem agree—and I agree with them—that if we are to go the rigid control route, then the wheat stabilization plan is the most desirable direction to take, especially in view of the tremendous surpluses, which, according to the Department of Agriculture, will rise to almost 1.5 billion bushels by June 30, 1960. This huge surplus is about three times greater than the annual U.S. consumption as food. We are now spending over a million dollars a day just on storage, interest, and transportation costs in this surplus. I believe that I can say, without fear of contradiction, that we are all agreed that the solution of this problem takes an A-1 priority.

I am sure that the wheatgrowers in the United States today could not care less about what it was, or who it was, that produced their dilemma; they are just anxious for Congress to help them find a way out. I am interested today only in advocating that it is time we take a fresh new approach to the whole situation and I feel very strongly that the ones who have the most to offer in helping us come up with a sound, reasonable solution to this crisis are those in our farm economy who grow wheat. I believe I may go further and say that I think there is another point upon which we are all agreed and that is that any new program in the field of wheat economy that comes out of this session of the Congress should have certain goals. A very concise summation of these goals can be described as a program that will be less costly than the one under which we are operating; a program that will reduce surpluses rather than build surpluses; a program that will move in the direction of more freedom for the farmer; and will protect the wheat-grower from economic ruin while this program is going into effect.

In testimony before the House Committee on Agriculture in recent months, nearly every individual or organization that appeared before the committee started out by saying that the legislation he presented was not perfect. I believe that this amounts to a tacit admission that so involved and complicated is the problem that there cannot possibly be a perfect legislative solution at this time. Therefore, I believe that the great responsibility for, not only this subcommittee, but all of Congress, is to come up with legislation that is a step in the right direction and I submit that this is what the National Association of Wheat Growers presented to the committee in their Wheat Stabilization Act.

I should just like to reiterate for you the basic points of their legislation which has been developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat. In their program, they have to the best of their ability presented a plan that will, first stabilize producers income at a reasonable level; second, allow freedom to plant and harvest crops best adapted without Government interference; third, permit producers to carry reserve for short crop years; fourth, prevent wheat prices from reaching disastrously low level; and, fifth, enable wheat producers to market best quality wheat in domestic food and export markets and lower grades in feed markets. I would also like to remind you that the drafters of this bill say that it is estimated that under the present program 200 million bushels will be added to CCC stocks annually. On the other hand, the wheat stabilization program stops the buildup of CCC stocks and provides for the reduction of these stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel and savings in storage costs on the defense stockpile of approximately 6 cents per bushel.

Finally, I feel that because an organization like the National Association of Wheat Growers, which represents a large number of those who are growing wheat throughout this Nation, have been drafters of this bill, because also they have worked with one of our most powerful and effective farm groups, the National Grange, on this legislation. Certainly with this type of grower representation behind this legislation—which has been introduced by many Members of Congress—the House of Representatives can do no less than to give it sincere and earnest consideration. It goes without saying that if we are to be successful in getting some program to help us out of the present crisis in wheat surplus through this session of the Congress, we must have a unified approach. It is my sincere belief that a very sound place to begin is with this marketing quota and income stabilization plan as presented by the National Association of Wheat Growers.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Chair must inform the gentleman from Michigan that the motion is not debatable.

Mr. HOFFMAN of Michigan. Is this a Senate bill?

The CHAIRMAN. This is a House bill. Mr. HOFFMAN of Michigan. This is a Senate bill and the Chair holds that it is not debatable at this time?

The CHAIRMAN. All debate on the bill has been ordered closed.

Mr. HOFFMAN of Michigan. This is not on the bill. This is on a motion to strike out the enacting clause on the ground that the first amendment has been denied to the minority here, the right of free speech in debate, and this being the greatest deliberative body in the world and the accusation having been made the other day that the minority was intimidated, or the majority was being intimidated.

The CHAIRMAN. The gentleman from Michigan is a very beloved and very distinguished and very able parliamentarian, but the majority have ruled and ordered that all debate is concluded at this time.

Mr. HOFFMAN of Michigan. The majority? Thank you.

Mr. McCORMACK. I would just like to make a statement on this question of intimidation that the motion was made to enable some Republicans to get away to the Governor Rockefeller affair tonight.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. EVINS, 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. 7246) to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended, pursuant to House Resolution 285, he reported the bill back to the House with sundry amendments adopted by the Committee on the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, when the time comes for the engrossed copy to be read, I have a request that the engrossed copy of the bill be read.

Mr. BELCHER. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] asks for the reading of the engrossed copy.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, would it be in order to vote on the motion to recommit at this time?

The SPEAKER. It would not be in order until after the reading of the engrossed copy.

Mr. ALBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALBERT. Did not the Speaker put the question on the engrossment and third reading of the bill and proceed?

The SPEAKER. The gentleman from Michigan is within his rights and within his time.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. As I understand the situation, the gentleman from Oklahoma [Mr. BELCHER] had submitted a motion to recommit. Why should we not vote on that this afternoon?

The SPEAKER. It is not time to vote on it. We have got to have the engrossed copy of the bill here before the motion to recommit can be offered.

Mr. McCORMACK. Mr. Speaker, my previous announcement was based upon the completion of this bill today. With this demand for a reading of the engrossed copy of the bill, I am very sorry to say that whatever I said before with reference to the program was relative to the completion of this bill. We will have to have a vote on this bill tomorrow. I want that to be understood by the membership.

The SPEAKER. The Chair is certain the Members will understand that.

REDUCING UNNECESSARY BULK OF MATERIAL IN CONGRESSIONAL RECORD

Mr. JONES of Missouri. My Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter, including a bill table.

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

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, some weeks ago, I called attention to some of the abuses which have been made of the privilege Members have of extending their remarks in the CONGRESSIONAL RECORD. Since that time there has been much favorable comment on the suggestion that Congress could save vast sums of money by exercising greater discretion in the selection of material that is printed in the RECORD.

Many Members have expressed their interest in the adoption of rules, or an amendment to the act providing for the printing and binding and the distribution of public documents, which would place some limitation on the frequency of use of this privilege under unanimous consent, and also on the volume of extraneous material which many believe is not of sufficient interest and importance, and certainly in many cases is irrelevant and not pertinent to any legislation under consideration by Congress.

The fact that the cost of printing such material in the CONGRESSIONAL RECORD is approximately \$85 a page has caused an estimate to be made that by the exercise of a minimum amount of discretion and a minimum of limitation would result

in the savings of not less than several hundreds of thousands of dollars each year.

The further fact that the resolutions adopted by the Joint Committee on Printing in 1953, which resolutions were revised for clarification in February, 1956, have not proven effective and have been difficult of administration, has caused me to consider the adoption of an amendment to the act which would fix certain limitations. Actually the limitations which are suggested in the bill which I have introduced would have no effect on the practices of an overwhelming majority of the Members of Congress—in fact it would offer a measure of relief to many Members who sometimes have difficulty in refusing to request permission for the printing of extraneous material in the Appendix of the daily RECORD which at times has proven embarrassing.

Mr. Speaker, as most of my colleagues know, I have long been interested in bringing about changes which I felt would result in greater economies in the operation of our Congress, and I have spent considerable time in analyzing some of the practices which we follow, and which might be changed with little inconvenience to the Members of Congress, and which on the other hand would result in the greatest savings.

Let me assure you, Mr. Speaker, that I have no desire to take from any Member any privilege which he now has which would in any way prove detrimental either to him, or to his constituency. However, I do feel, that in carrying out the obligations I have as a member of the Committee on House Administration, and more particularly as a member of the Subcommittee on Printing of that committee, I should call to the attention of this body the information that I have caused to be assembled, and to present for your consideration the results of a study which has extended over a period of the past few years. Some of the statistics which this study has developed, are most interesting.

The statistics which I propose to present here are not up to date. In fact they are for the 1st and 2d sessions of the 84th Congress, and the 1st session of the 85th Congress, but they do indicate the extent to which the privilege is used by some and abused by others. I should mention, however, that the situation grows progressively worse each session, and for that reason it would seem that it might be appropriate for Congress to consider this problem before it gets further out of hand.

For instance, up until June 1, 1959, printing of proceedings and debates in the 1st session of the 86th Congress has required 8,446 pages, with an additional 4,580 pages being devoted to the daily Appendix for this same period. Up until June 1, 1957, printing of the proceedings and debates of the 1st session of the 85th Congress required only 7,287 pages, with an additional 4,222 pages being devoted to the daily Appendix. One does not have to be a mathematician to figure that with an increase of 1,517 pages of the printed RECORD and daily Appendix during these two comparable periods, the

increased cost—and I emphasize increased cost—is \$128,945 for this 5-month period.

Up until June 1, 1959, the cost of printing the CONGRESSIONAL RECORD, with a total of 13,443 pages, which includes 417 pages of the Digest found in the back of the RECORD each day, computed at approximately \$85 a page, totals \$1,142,655.

If and when hearings are held on the bill which I have introduced, I am confident that I can show any committee that through the exercise of a minimum of discretion and without depriving the public or the Members of this Congress of any valuable information which is not easily and readily available, we can effect a saving of approximately a half million dollars a year by the adoption of this bill.

While I hesitate to take up the valuable space in the RECORD, I am asking unanimous consent to have printed in connection with these remarks, a short, but rather comprehensive memoranda, including the statistics referred to, prepared by a member of the staff of the Committee on House Administration, and which I believe will be helpful to the Members in determining whether or not it is in order for this House to consider this one means by which we can

begin to effect economies in the operation of our own house. I believe such action will be applauded by the public, and I also believe it will have a salutary effect on other departments of Government if they can observe that Congress itself is interested in practicing the economy that it is constantly preaching.

CONGRESSIONAL RECORD, DAILY APPENDIX, AND EXTENSION OF REMARKS

A careful and detailed analysis has been made of that part of the CONGRESSIONAL RECORD which is included in the daily and green-bound copies as the Appendix, as compared with that portion of the case bound, permanent copies called the Extension of Remarks. Beginning with the 2d session of the 83d Congress, as a result of a resolution of the Joint Committee on Printing, certain matter is deleted from the daily Appendix, leaving only specific types of matter to be contained in the permanent Extension of Remarks. A copy of this resolution follows the table below.

The table which follows gives an idea of how much is actually bound in the permanent form and the number of pages which appear once, to be discarded and not available for those who may use the CONGRESSIONAL RECORD for research in later years:

Subject	84th Cong.		85th Cong.	
	1st sess.	2d sess.	1st sess.	2d sess.
Senate:				
Days in session.....	105.....	119.....	133.....	138.....
Time in session.....	559 hours 41 minutes.....	801 hours 42 minutes.....	860 hours 44 minutes.....	1,014 hours 45 minutes.....
House of Representatives:				
Days in session.....	112.....	118.....	141.....	135.....
Time in session.....	471 hours 19 minutes.....	465 hours 57 minutes.....	585 hours 19 minutes.....	562 hours 12 minutes.....
CONGRESSIONAL RECORD:				
Daily Appendix pages.....	6,314.....	6,154.....	7,325.....	8,375.....
Extension of Remarks, bound.....	-2,098.....	-1,923.....	-2,400.....	-2,775.....
Appendix pages not retained in Extension of Remarks.....	4,216.....	3,231.....	4,925.....	5,600.....

¹ Estimated figure, based upon types of material authorized by the Joint Committee on Printing to be included in Extension of Remarks.

RESOLUTION BY THE JOINT COMMITTEE ON PRINTING

(Originally adopted June 22, 1953. Revised for clarification February 6, 1956)

Whereas section 181, title 44, United States Code, provides, in part, that the Joint Committee on Printing shall take all needed action for the reduction of unnecessary bulk in the CONGRESSIONAL RECORD; and

Whereas it is the sense of the Joint Committee on Printing that the printing of extraneous matter in the permanent form of the CONGRESSIONAL RECORD constitutes unnecessary bulk and a waste of public funds: Now, therefore, be it

Resolved, That beginning with the 83d Congress, 2d session, the following rules shall apply in the makeup of the permanent CONGRESSIONAL RECORD:

1. All 1-minute speeches, regardless of length, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the day's proceedings where permission was granted the Member to address the House for 1 minute and revise and extend his remarks.

2. All remarks by Members of the House on particular legislation under the 5-day rule, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to

that point in the day's proceedings of the day permission was granted.

3. All statements prepared by Members inserted in the Appendix of the daily CONGRESSIONAL RECORD shall be moved to the end of the proceedings of the day permission was granted. This shall not be construed to include remarks prepared for the introduction of extraneous material.

4. All remarks of Members in tribute to deceased Members or former Members of Congress, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be moved to that point in the proceedings of the day permission was granted. Such remarks must be submitted to the official reporters not later than 60 days after permission is granted.

5. All extraneous matter including but not limited to newspaper and magazine articles, editorials, addresses, radio programs, commentators' stories, resolutions from organizations and individuals, letters from constituents, etc., together with Members' remarks accompanying same, appearing in the Appendix of the daily CONGRESSIONAL RECORD, shall be omitted from the permanent form of the CONGRESSIONAL RECORD; however this restriction shall not apply to speeches, addresses, or articles by the Presi-

dent and the members of his Cabinet, the Vice President, or a Member of Congress.

EXTENSION OF REMARKS

Mr. Speaker, a page-by-page review was made of the Appendix to the daily CONGRESSIONAL RECORD for the 1st session of the 85th Congress, using the foregoing resolution of the Joint Committee on Printing and the actual material contained in the Extension of Remarks in the bound copies for the two sessions of the 84th Congress as criteria. Speeches and statements prepared for or by Members of Congress, and remarks by Members of Congress which will be included in the Extension of Remarks for the 1st session of the 85th Congress for the following numbers of individuals are noted for each, as follows:

Senate: 9 Senators had none each; 34 Senators had from 1 to 5 each; 23 Senators had from 6 to 10 each; 10 Senators had from 11 to 15 each; 1 Senator each had 18, 19, 20, 21, 25, 26, 32, 36, 41, 51, and 85, respectively.

House of Representatives: 49 Congressmen had none each; 171 Congressmen had from 1 to 4 each; 65 Congressmen had from 5 to 6 each; 61 Congressmen had from 7 to 10 each; 36 Congressmen had from 11 to 15 each; 17 Congressmen had from 16 to 19 each; 2 Congressmen each had 20 and 21, respectively; 13 Congressmen had from 22 to 23 each; 5 Congressmen had from 25 to 26 each; 2 Congressmen each had 30 and 31, respectively; 1 Congressman each had 27, 28, 32, 34, 35, 40, 43, 46, 53, and 59, respectively.

DAILY APPENDIX MATERIAL NOT INCLUDED IN BOUND COPIES OF RECORD

The same page by page review of the Appendix to the daily CONGRESSIONAL RECORD revealed that the following numbers of Senators and Representatives obtained permission to print editorials, newspaper articles, letters, essays, and so forth, in the number of instances noted by each:

Senate: 4 Senators had none each; 10 Senators had 1 each; 2 Senators had 2 each; 37 Senators had from 3 to 6 each; 15 Senators had from 7 to 15 each; 8 Senators had from 19 to 21 each; 1 Senator each had 16, 22, 23, 27, 30, 31, 36, 37, 38, 39, 40, 41, 43, 61, 63, 65, 71, 89, and 101, respectively.

House of Representatives: 41 Congressmen had none each; 59 Congressmen had 1 each; 109 Congressmen had from 2 to 4 each; 50 Congressmen had from 5 to 6 each; 103 Congressmen had from 7 to 15 each; 28 Congressmen had from 16 to 20 each; 2 Congressmen each had 21, 22, 23, 26, 27, 28, 29, 31, 32, 38, and 39, respectively; 1 Congressman each had 28, 30, 45, 49, 50, 53, 56, 75, 109, 127, 179, and 232, respectively.

GENERAL OBSERVATIONS

The principal common denominator found to exist in the material which appears in both the daily Appendix and the Extension of Remarks is that of inconsistency, generally, as to length and subject matter. The shortest speech noted was only 2½ column inches in length, while others extended to over 30 pages. The general average, however, were ap-

proximately a column and a half, or a half page.

During periods of time when legislation under consideration was of more than usual national interest, a marked increase in the number of items in the daily Appendix was observed. Members from metropolitan districts appear to use the daily Appendix more frequently than those from rural districts.

The practice of inserting various types of matter, broken up into a number of seriatim articles rather than having it all appear as one long article, has been continued. This eliminates the Joint Committee on Printing regulation which requires that Members of Congress obtain an estimate of cost for printing daily Appendix material exceeding two pages in length, which estimate should be printed along with the material. During the 1st session of the 85th Congress, one individual inserted 31 such seriatim articles on 1 day, comprising almost 14 pages. Other instances were noted of seriatim articles appearing on consecutive days or within a few days of each other. There were many instances of lengthy speeches and articles, the estimate of printing cost not being printed with them.

The types of matter printed in the daily Appendix which would not be printed in the bound Extension of Remarks was varied, consisting principally of editorials, newspaper articles, letters from individuals, essays of students, poetry, resolutions passed by various organizations, recipes, and other kinds. One individual inserted the columns of a well-known humorist almost every day the RECORD was printed.

During the 84th Congress, it appeared that there were varying interpretations of the Joint Committee on Printing regulations with respect to radio broadcasts and newspaper articles and editorials, accompanied by the Members' remarks concerning them being included in the bound Extension of Remarks. Although these types of matter are not to be included in the bound copies, according to the regulations, many of them do appear therein.

PROJECT GRANTS TO SCHOOLS OF PUBLIC HEALTH, NURSING AND ENGINEERING

Mr. ROBERTS. 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. ROBERTS. Mr. Speaker, on June 8, 9, and 10, the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce, of which I am chairman, held hearings on several bills relating to public health training. At the close of the hearings, Secretary Flemming testified in opposition to H.R. 6871, introduced by Congressman RHODES of Pennsylvania, and submitted as an alternative to Mr. Rhodes' bill, a 4-year program of Federal project grants

to schools of public health, nursing, and engineering.

In order to give all persons and organizations interested in public health training, and particularly the schools of public health, nursing, and engineering an opportunity to comment in writing on this proposal, I would like to insert at this point in the RECORD a letter dated June 10, 1959, from Secretary Flemming, addressed to the chairman of the Committee on Interstate and Foreign Commerce, setting forth his opposition to H.R. 6871 and his alternative proposal for a 4-year program of project grants.

The subcommittee will be glad to include any comments on the Secretary's proposal in the hearing record on these bills.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, June 10, 1959.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of May 6, 1959, for a report on H.R. 6871, a bill "To amend the Public Health Service Act to provide for a public health training program, and for other purposes."

The bill would amend the Public Health Service Act by the addition of a new title VIII entitled, "Public Health Training Program." Section 803 under this new title would authorize an extension until June 30, 1964, of the current program of federally financed traineeships for graduate or specialized training of professional health personnel. The present authorization for this program in section 306 of the Public Health Service Act expires June 30, 1959. Section 803 would also require the Surgeon General to appoint an Advisory Committee on Public Health Training to advise him in the administration of the programs which would be authorized by the new title VIII. In addition, this section would require that the Surgeon General call a conference between June 30, 1962, and December 1, 1962, to assist him in evaluating the effectiveness of the programs authorized under title VIII and in considering any modifications which might be desirable in increasing their effectiveness. A report of this conference, including any recommendations by it, would be required to be submitted to the Congress by January 1, 1963.

Section 804 would authorize an appropriation of \$6 million annually beginning with the fiscal year ending June 30, 1961, to enable the Surgeon General to make grants-in-aid for the provision of comprehensive professional public health training in schools of public health. Funds appropriated for this purpose would be allocated among the eligible schools in accordance with a formula prescribed by regulation of the Surgeon General after consultation with representatives of such schools.

Section 805 would authorize the appropriation of \$5 million for the fiscal year ending June 30, 1960, and such sums as the Congress may determine for the 4 succeeding fiscal years (except that the total appropriations for the 5-year period may not exceed \$15 million) to enable the Surgeon General to make grants-in-aid for the construction of facilities at schools of public health. The Surgeon General would be authorized to approve applications for such construction grants submitted by schools of public health upon recommendation of the Advisory Committee on Public Health Training. No grant could be approved in excess of the amount recommended by the advisory

committee or 70 percent of the construction cost whichever is least.

Section 806 would authorize an annual appropriation of \$1 million beginning with the fiscal year ending June 30, 1960, to enable the Surgeon General to make grants-in-aid for the provision of public health training for nurses in public or nonprofit educational institutions accredited for such training. Funds appropriated for this purpose would be allocated by the Surgeon General among the eligible educational institutions in accordance with regulations developed in consultation with representatives of such institutions.

Section 807 would authorize an annual appropriation of \$3 million to enable the Surgeon General to make grants-in-aid to States for the purpose of training personnel for State and local public health work. These funds would be allocated among the States in accordance with regulations which would take into consideration the population, financial need, and extent of the training problem in the several States. Funds granted under this program would be matched by the expenditure of State or local funds in amounts equal to at least one-half the Federal grant.

The President's budget message, transmitted to the Congress on January 19, 1959, recommended continuation of the current traineeship program for graduate or specialized public health training authorized by section 306 of the Public Health Service Act, which would otherwise expire on June 30 of this year. Although this program has proved successful in increasing the number of individuals being trained for public health work and in encouraging the recruitment of personnel, there still remain serious deficiencies in the numbers of adequately trained professional personnel to meet the current and future staffing needs of public health services in the United States. Extension of this program for another 5 years, as proposed by section 803 of H.R. 6871 and by H.R. 6325, on which we reported previously, would facilitate further progress in overcoming these deficiencies. In addition, extension of this traineeship authorization would carry out the first recommendation of the national evaluation conference on public health training called by the Surgeon General last summer in accordance with section 306(e) of the Public Health Service Act.

As we said in our report on H.R. 6325, the only provisions of that bill and of section 803 of the instant bill about which we have some reservation are those that require special program evaluation conferences to be convened between June 30 and December 1 of 1962. In view of the short time span between the last such conferences and those required in the proposed amendments, we question the desirability of including such a mandatory requirement in this extension legislation. Unless major issues of policy should arise, it would seem likely that the question of subsequent program extension or modification could be resolved with less formal or elaborate means of obtaining the views of interested groups and agencies. If such provisions are included in the extension legislation, we believe they should be in the form of an authorization, rather than a mandatory requirement.

Sections 804 and 806 of the bill would authorize programs of grants-in-aid to accredited schools of public health and to schools accredited for public health nursing training to be used by these educational institutions in providing professional public health training services. These two sections would establish a permanent program of Federal subsidization for these two types of schools without legislative safeguards to insure that the funds were used to strengthen or improve training services rather than to replace existing sources of

financial support, and without the usual provision for review and evaluation of applications for funds by an advisory body. Enactment of these sections would thus establish precedents, of potentially far-reaching implications, for general Federal support of institutions of higher education.

In order to overcome these weaknesses and to provide a more satisfactory basis for directing Federal assistance to the highest priority public health training needs, we would propose that, in lieu of the general support grants which these two sections of the bill would authorize, there be authorized a 4-year program of Federal project grants to schools of public health for the primary purpose of strengthening or expanding their public health training activities. We would also propose that eligibility for these project grants be broadened to include those schools of nursing and engineering which provide post-baccalaureate training for public health nurses and engineers. Special emphasis would be placed on stimulating improvement and enrichment of curricula to meet the needs of changing and emerging public health programs; strengthening programs of basic training in public health administration; developing and demonstrating improved training methods and procedures; and enlarging faculties and supporting staff to provide for increased enrollment. Applications for project grants would be subject to review and recommendation by the Advisory Committee on Public Health Training. We would recommend that this new program supersede, effective July 1, 1960, the current provisions of section 314(c) (2) of the Public Health Service Act which authorize general support grants for schools of public health. For the new project grants we would propose annual appropriation authorizations of \$2 million for the first year, \$3 million for the second year, \$3.5 million for the third year, and \$4 million for the fourth year of the program.

The question of Federal financial assistance for the construction of public health teaching facilities should, in our judgment, be considered in conjunction with the construction assistance needs of medical and dental schools. Legislative proposals for such construction grants have been submitted by this Department in previous years but have not been approved by the Congress.

Section 807 in H.R. 6871 would establish a new earmarked grant to States for training purposes. Although recognizing that State and local public health agencies should increase and strengthen their training programs to overcome the backlog of training needs and recruit additional trained personnel for new and expanded program operations, we do not consider it necessary or desirable that a new Federal grant-in-aid program be established for this purpose. Grants-in-aid currently available to the States in such fields as general health, maternal and child health, mental health, cancer control, etc., can be and are being used to train personnel. In addition, some States and communities are appropriating funds for this purpose. If additional Federal financial support is considered necessary to stimulate additional training activities by State and local health agencies, it should be provided through the public health grant-in-aid authorizations already established in legislation.

We would therefore recommend against enactment of H.R. 6871, at least in its present form. We would favor instead the enactment of legislation along the lines of H.R. 6325, extending both the nurse traineeship and the public health traineeship programs under sections 306 and 307 of the Public Health Service Act. In addition, we recommend legislation authorizing special project grants to expand and improve graduate public health training as suggested on page 3

of this report. We will be very glad to submit to your committee draft legislative language to carry out our recommendations.

The Bureau of the Budget advises that it perceives no objection to the submission of this report to your committee.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

MUNITIONS LOBBY

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent to address the House for one-half minute and to revise and extend my remarks.

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

There was no objection.

Mr. SANTANGELO. Mr. Speaker, last week my amendment to bar funds to defense contractors hiring military general officers who had been active members of the Armed Forces of the United States within 5 years of the date of enactment was dramatically defeated by a margin of one vote. My amendment was designed to eliminate the Pentagon influence by retired military officers above the rank of colonel and to reduce the cost of our defense program. Such retired officers have been hired at inflated or premium prices to create immediate or extended business relationships for a corporation in the defense products contract acquisition area.

The decision of defense contract awards by a procurement office should not and must not be coerced into a state of imbalance, due to a former relationship based on prior career subordination or friendship. Decision must be liberated from all parasitic influence and made with an objectivity designed to obtain the most effective product at the most equitable and competitive price.

Undue influence on a procurement officer, created by an historical rapport of any design, but particularly involved when a retired officer is dealing with a former subordinate, associate, or intimate friend, defeats not only the democratic process of free competitive business enterprise, but also subjects the Government and its budget allocated to maintaining defense for preparedness and peace, to a continually compromised state that can only be detrimental to the national security and the national economic health.

The conflict raging as to the choice between the Army Nike-Hercules ballistics missiles and the Air Force Bomarc, may be motivated by industrial pressures without regard to what is best for the country.

I recommend to the Special Investigations Subcommittee of the Armed Forces Committee that it inquire whether industrial pressures, if any, are being exercised in the consideration as to the choice between the Nike-Hercules and the Bomarc.

The President's \$77 billion budget is the greatest this country has ever seen. Fifty-nine percent or \$45,805 million is allocated to the national security; \$13,938 million of the military budget is allocated to procurement, the purchase

of aircraft, missiles, ships, and other military equipment. It is in this area that we must eliminate the waste in order to help the taxpayers.

During the consideration of my amendment, I was assured by the chairman of the Defense Subcommittee of the Appropriations Committee that an investigation and inquiry would soon be initiated and be forthcoming by the Armed Forces Committee. Subsequently, Congressman F. EDWARD HEBERT, chairman of the Special Investigations Subcommittee of the Armed Forces Committee, announced that he would commence hearings within the next few weeks.

Who are the retired military men on the payroll of the defense contractors and what has been the development of these defense contractors, particularly in the aircraft industry? Newspaper disclosures indicated the need of my amendment and the arrogance of defense contractors in the face of a legislative investigation. Public notice has already been directed to the fact that Gen. Clarence S. (Bill) Irvine, who, until a month ago, was the Air Force Deputy Chief of Staff and who advocated greater distribution of the defense contracts among smaller companies, was hired and engaged by Avco Corp. before his retirement. General Irvine had been in charge of Air Force production as Deputy Chief of Staff—Materiel—since 1955. Before that he was deputy commander of the air materiel command which supervises Air Force procurements. Avco Corp. has several major Air Force contracts, but is considered one of the smaller defense contractors.

This announcement should have generated for every concerned public servant, businessman and taxpayer an intense curiosity over the relationship of defense contracts and the pragmatic expediency by large corporations who hire retired military officers for new or more defense contracts. It certainly underscored the dire need for a microscopic examination of the questionable practice that does not serve the broad competitive posture of business or the small pocketbook of the average American taxpayer.

Particular attention is directed to the following companies, such as Aerojet-General Corp., which since 1955 has increased its business by \$150 million, mostly defense contracts.

General Motors, since 1952 to 1955, increased its volume of business by \$5 billion and between 1952 and 1958 to \$2 billion.

General Dynamics Corp., since 1953, has increased its business by \$1,350 million and that in the year 1958, its military contracts amounted to \$1,383,200,000. The increase in military defense contracts from 1957 to 1958 in General Dynamics Corp. was over \$360 million.

Another tremendous increase is seen in the Radio Corp. of America, which since 1954 to 1957, increased its business by \$178 million, and in the year 1958, it had defense contracts totaling over \$288 million.

The Bell Aircraft Corp. has seen a tremendous growth since 1952 to 1957, increasing from \$128 million to \$202 million. Its contracts with the Government in 1957 approximated all its business of 1952 and exceeded the amount of business it conducted prior to 1952.

A smaller company, Piasecki Aircraft Corp., in 2 years from 1956, increased its business from \$45,000 to \$1,673,192, of which \$1,206,000 was in Government defense contracts. I would like the Special Investigations Subcommittee to find out what influence the retired military

officers had on the procurement of these defense contracts.

An inspection of the defense contracts obtained by 11 contractors with single source procurement agreements demonstrate the tremendous growth of their defense business:

Company	1957	1958	Total increase	Company	1957	1958	Total increase
Boeing.....	\$907,400,000	\$2,131,000,000	\$1,223,600,000	McDonell.....	293,800,000	352,000,000	\$58,200,000
Douglas.....	249,200,000	513,400,000	264,200,000	North American.....	\$499,900,000	\$647,730,000	147,800,000
General Dynamics.....	1,018,900,000	1,383,200,000	364,300,000	Republic.....	189,600,000	264,700,000	75,100,000
Hughes.....	389,900,000	472,600,000	82,700,000	Sperry-Rand.....	214,500,000	370,100,000	155,600,000
Lockheed.....	535,790,000	755,100,000	219,400,000	Westinghouse.....	182,100,000	263,300,000	81,200,000
Martin.....	366,000,000	400,200,000	34,200,000				

The following information as to the retired military persons connected with defense contractors indicates part of the extent to which retired general officers affiliate themselves with defense contractors and the need to investigate their relationship and the influences. In

setting forth these names, I wish to state that I know of no wrongdoing by these retired officers, but assert that the increase in the amount of procurement contracts by the companies with which they are affiliated and the recent criti-

cism by the Comptroller General that a large defense contractor has knowingly overcharged the Government for aircraft production give rise to the conclusion that an investigation should no longer be delayed.

Air Force officers

Name	Company	1958 Volume of defense contracts	Name	Company	1958 Volume of defense contracts
Gen. Benjamin W. Chidlaw.....	Thompson Ramo Wooldridge, Inc.	Thousands \$63.8	Maj. Gen. Harold L. George.....	Thompson Ramo Wooldridge, Inc.	Thousands \$63.8
Gen. Joseph T. McNarney.....	General Dynamics Corp.	1,383.2	Maj. Gen. Haywood S. Hansell.....	General Electric	783.4
Lt. Gen. James H. Doolittle.....	Space Technology Laboratories, Inc.		Maj. Gen. Gordon P. Saville.....	Thompson Ramo Wooldridge, Inc.	63.8
Lt. Gen. Ira C. Eaker.....	Douglas Aircraft Co., Inc.	513.4	Maj. Gen. Arthur W. Vanaman.....	Aerojet-General Corp.	95.8
Maj. Gen. Lucas V. Beau.....	Consolidated Diesel Electric Corp.	12,718	Brig. Gen. James F. J. Early.....	Fairchild Engine.....	103.2
Maj. Gen. Albert Boyd.....	Westinghouse Electric Corp.	269,300	Brig. Gen. William W. Welsh.....	do.....	103.2
			Lt. Col. Ronald Mogford.....	Napco Industries, Inc.	.668

Army officers

Name	Company	1958 volume of defense contracts	Name	Company	1958 volume of defense contracts
Gen. Jacob L. Devers.....	Fairchild Engine.....	Thousands \$103.2	Maj. Gen. Gerald J. Higgins.....	Piasecki Aircraft Corp.....	Thousands \$1,206
Gen. Douglas MacArthur.....	Sperry-Rand Corp.....	370.1	Maj. Gen. George Olmstead.....	Bell Aircraft Corp.....	82.2
Gen. Frank Pace.....	General Dynamics Corp.....	1,383.2	Maj. Gen. Harry McK. Roper.....	General Electric Co.....	783.4
Gen. Bedell Smith.....	Bulova Watch Co.....	8,927	Col. D. J. Bailey.....	Raytheon.....	237.0
Gen. Omar Bradley.....	do.....	8,927	Col. W. F. Rockwell.....	Aero Design & Engineering Co.....	418
Maj. Gen. Frank A. Heileman.....	Hillier Aircraft Corp.....	9,920	Capt. C. W. Gordon.....	Radio Corp. of America.....	288,257

Navy officers

Name	Company	1958 Volume of defense contracts	Name	Company	1958 Volume of defense contracts
Adm. C. M. Bolster.....	The General Tire & Rubber Co.....	Thousands \$159.8	Rear Adm. Charles F. Horne.....	General Dynamics Corp.....	Thousands 1,382.2
Adm. Robert B. Carney.....	Fairchild Engine.....	103.2	Rear Adm. J. C. Farham.....	Motorola.....	29.8
Adm. William M. Fechteler.....	General Electric Co.....	783.4	Rear Adm. Lawrence B. Richardson.....	Hillier Aircraft Corp.....	9,920
Adm. T. A. Solberg.....	Yardney Electric Corp.....	3,663	Rear Adm. H. W. Seely.....	Texas Instruments, Inc.....	5,642
Adm. John E. Wood.....	Kellett Aircraft Corp.....	.408	Rear Adm. Ford Taylor.....	Fairchild.....	103.2
Vice Adm. Joseph H. Bolger.....	Grumman Aircraft Engineering Corp.....	245.2	Capt. D. R. Hull.....	Raytheon.....	237
Vice Adm. William A. Kitts III.....	General Electric Co.....	783.4	Capt. Joseph K. Taussig.....	do.....	237
Rear Adm. T. J. Hedding.....	General Motors Corp.....	280,861			

If we are to reduce the wasteful defense expenditures, we must eliminate the Pentagon influence by former retired general officers upon those who let the contracts. There can be little doubt that the present situation is an unhealthy condition void of proper competitive objectivity in contract awards, and should be changed immediately. It is agreed among high-ranking congressional leaders that lobbying activities have forced defense costs to rise. I, for one, favor and will support, billions for the defense of our country, but I shall

not support one cent for manipulations through lobbying and military influence.

The history of renegotiations by the Renegotiations Board demonstrates that the Government has recovered or recouped \$1½ billion of excess profits during the past 10 years from defense contractors. It is obvious that the merchants of cold war and defense will continue to make excessive profits. As a consequence, the Government will have to call upon industry to disgorge their excessive profits and will continue to recoup excessive profits voluntarily or in-

voluntarily. While industry has been admirably efficient, we have been shamefully prodigal. So long as the practice of negotiated and leased contracts is continued and so long as defense contracts are let on a cost-plus basis, there will be very little control of defense expenditures. Action is imperative because Government defense appropriations and spending cost accompany the endless cold war at an average rate of \$3½ million a day. Our economy will not permit unnecessary expenditures.

PRESERVATION AND EXPANSION OF OUR EDUCATIONAL SYSTEM

The SPEAKER. Under the previous order of the House the gentleman from Michigan [Mr. CHAMBERLAIN] is recognized for 30 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, during the time I have been privileged to serve in the House, I have heard much said about what Congress might do to preserve and expand our educational system. But since I have heard little about the do-it-yourself efforts of individual communities, it has occurred to me that the efforts of the citizens of Flint, Mich., to provide a college for their young people and to develop and enhance their educational facilities generally should be brought to the attention of my colleagues in the Congress.

For two generations the city of Flint, Mich., has—far beyond the proportion of its size—helped meet the transportation needs of America. Indeed, the very name of Flint is almost synonymous with automobile production. The Buick and Chevrolet automobiles manufactured in Flint are familiar names to every person in America.

The talent, the imagination, the intelligent and foresighted direction, which long ago placed Flint among the leading industrial cities of the Nation, have, during the past 13 years, been applied to the problems of education. The result today is that Flint, Mich., has provided a pilot model of what any American city can do to expand and vitalize its educational system. Flint is showing America how local resources, leadership and money can meet the educational challenge of our ever-growing population.

Mr. Speaker, we are born into this world with very little talent. Man, unlike the other creatures of the earth, is born with but two instincts. Everything else of our behavior must be learned. It must be taught.

As man's intelligence has developed, as mankind's behavior has become more sophisticated and more complex, this learning process moved beyond the watch-and-imitate pattern which little children follow. The learning process must be directed carefully and skillfully to higher and ever-higher plateaus of ability and understanding.

The first settlers of America promptly erected a church and a school, with one structure often serving both functions. In Massachusetts each town was required to employ both a minister and a teacher. The church and the school were both deemed essential to man's guidance in this world and his salvation in the next. America has wisely continued that tradition. We have invested money, talent and resources in education for our welfare as individuals and as a Nation. It is a tradition we must and will maintain.

This Congress, like several before, is considering whether and to what extent the Federal Government should undertake the direct financing of our schools. The Federal Government has done this, in limited degree, and in a variety of ways, all the way back to the passage of the Northwest Ordinance Act in 1783,

which set aside certain portions of land for the establishment and support of schools.

Included in Michigan's sixth district is Michigan State University, the model for the great land-grant colleges which have for nearly a century enjoyed some degree of financial support from the Federal Government. There is no question that the Federal Government has long, actively and directly supported American education in this manner.

Mr. Speaker, I recognize that there are far too many areas of the United States in urgent need of improved educational facilities, and also that there are far too many areas where our teachers are underpaid. However, I do not mean to argue these issues. Rather, I would like to underscore what can be done on the local level to expand educational facilities and opportunities by showing what has, in fact, been done along these lines by the people of Flint, Mich.

At a dinner meeting in Flint on July 22, 1946, Dr. Alexander G. Ruthven, then president of the University of Michigan, suggested that the best interests of higher education would be served by establishing university undergraduate branches in large cities. This, he said, would relieve the enrollment pressure on the universities while providing young people with the opportunity of obtaining a higher education in their own communities.

In the audience that night was a distinguished citizen—not only of Flint, but of America—Mr. Charles Stewart Mott. Mr. Mott, one of the pioneers of the auto industry, quickly endorsed Dr. Ruthven's idea and requested an immediate survey of the Flint area educational needs. This survey revealed that there were several thousand young people who were unable to bear the cost of living away from home while attending college.

Working through his Mott Foundation, Mr. Mott pledged \$1 million for a university building in Flint, provided however that the Flint voters approved a special tax levy asked by the local board of education to finance school facilities at lower levels. The people of Flint approved this special levy. This was a first step in a program of cooperative use of private and public funds. You will note, Mr. Speaker, that is was designed for local needs, impelled by local interest, and supported by local people.

I have mentioned so far merely the first in a series of Mr. Mott's benefactions. He donated \$1 million to build the best junior college plant in the State. He deeded a large acreage of his estate to the board of education. Further, he provided an example to others. The Flint automobile pioneer, the late Mr. William S. Ballenger, left a trust fund which has provided buildings and chairs of learning for the junior college.

Many communities would have been content with this achievement, Mr. Speaker. After the immediate needs for higher education facilities were satisfied, they would have considered the job well done. Not so in Flint.

In 1953 a group of inspired and civic-minded men entered the scene actively,

intent upon seeing their community blessed with a fine plant for higher education and community development. Robert T. Longway, F. A. Bower, J. E. Burroughs, and the late Michael A. Gorman were leaders in this group. They reached out and drew the support of business, labor, industry, all segments and groups of the community.

A committee of sponsors was formed which developed plans for a \$12 million college and cultural center. This initial cost estimate had to be raised and is now a \$25 million project.

The committee of sponsors arranged for the creation of a trust fund administered by the board of education. Then the committee made the startling announcement that the minimum contribution it would accept was \$25,000. The boldness, the soundness, and realism of this provision captured the public fancy. This unprecedented action, which caused amazement in public philanthropy circles, was aimed to develop not merely donations but sponsorships for an individual, family, or business giving \$25,000 or more.

When the plan was first announced, there was understandable skepticism. But this skepticism was dealt a blow when a Flint citizen, Mr. Harlow H. Curtice, then president of the General Motors Corp., announced a \$3 million contribution by the corporation in November 1954.

Funds donated by sponsors have been used to purchase land, provide buildings for theater, art, and music as well as a swimming pool and planetarium. Buildings for library, science, and academic areas are either erected or in the building stage. Mr. Mott once again proved his generosity as well as his loyalty to his community by providing \$1,200,000 for a building and furnishings for the Flint branch of the University of Michigan. All told, there have been approximately 200 public-spirited citizens who have contributed more than \$18 million for this community project.

Proud indeed were Flint citizens on June 14, 1958, when 76 graduates of the Flint College of the University of Michigan received their bachelor of arts degrees. Nearly 80 percent of these graduates received their entire education in Flint, from kindergarten through 2 years at Flint Junior College and 2 years at the senior college. Some 3,900 students are now enrolled in the two institutions.

Mr. Speaker, I know the thought that is running through the minds of those who hear this report. "Ah, how fine it is that Flint, Mich., has the generosity of Mr. Mott and the General Motors Corp. upon which to depend. Just put a division of General Motors in my city and we'll solve our problems, too."

I suggest, Mr. Speaker, that this is a "whipped-before-you-start" form of rationalization. The same kind of resources, in greater or lesser degree, are present in every truly American community in this land. The citizens of your city are just as civic-minded, just as much interested in helping build and improve the community, just as willing to give their time, their effort, and, yes,

their money in the cause of education. The city of Flint is typically American. The support which the educational system receives from the people of Flint is no accident, Mr. Speaker. In fact, it is the direct result of a second essential aspect of Flint's method of meeting the educational challenge. This is a bold concept of total education which Flint calls community schools.

This is no new concept. In fact, it dates back to a time when the public school was the center of community life in pioneer America. Very simply, this concept calls for public schools to be open to persons of all ages, day and night throughout the year for a wide variety of purposes. This concept is based upon the belief that the school must mean more to people than the place where they were imprisoned during childhood on warm, spring afternoons. It holds that the schools must serve an active function in the lives of all its people. In addition to its basic academic and intellectual responsibilities, the school system must maintain a concern for the health, recreational, and civic needs of all citizens.

From a practical viewpoint, Flint educators believe that public school facilities, built and maintained by taxpayers, belong to and should be available to the people.

Flint school doors are open evenings, Saturdays, and all summer long. The result is that Flint's 35 neighborhood schools serve as centers for adult education, recreation, health, physical fitness, social events, with no duplication of costly facilities for youth and community centers.

The schools have also acted as a clearinghouse for ideas and means of helping and enriching the lives of the children. The enrichment plan includes after-school, Saturday, and summer classes in things children want and do not have time for in regular class hours. These things range from athletics and arts and crafts to science and foreign language. The school system has more than 13,000 members in its teens clubs, and the board of education, with the help of the Mott Foundation, maintains a large number of community education and youth-serving programs.

The schools provide facilities for many adult neighborhood groups, often very informally organized, and satisfying a variety of interests from roller skating and square dancing to arts and crafts.

Perhaps most impressive of all is the variety and scope of the more than 900 adult education courses, with more than 40,000 enrollments each year. Subjects range from cake decorating to Greek philosophy. Courses are available carrying college, high school and even prehigh school credit. Approximately 150 adults earn high school diplomas each year.

What is the effect of this community school concept? Mr. Speaker, interest and activity cannot be separated. Our activity directs our interest, and our interest makes for understanding and support. As people who have campaigned for public office, we know that the man who works for us and with us will vote for us. It is the same with schools.

The people of Flint—adult taxpayers—using and understanding their schools, recognizing the needs, are quick to vote money to operate the schools properly. In 1957, during an industrial recession, Flint voters approved by a 4 to 1 margin a tax levy to build more community schools including a \$4 million high school.

The success of the Flint programs has brought the city nationwide attention. Last year, for example, some 4,000 persons, including high U.S. Government officials, university presidents, and educators from several foreign countries, visited Flint to inspect this bold concept of total education. In the March 1959 issue of the Reader's Digest, in an article entitled, "Flint's Gone Crazy Over Culture," Karl Detzer describes the uplifting and vitalizing effect of the educational program of the people of this great industrial city. I should like to request that this article be printed in its entirety at the conclusion of my remarks.

I sometimes think, Mr. Speaker, that one of the great problems of this age in which we live is the adjustment of people to urban-industrial life. Western man has had centuries to perfect rural living patterns. I daresay that many who were born on a farm grew up with the benefits of that way of life.

As more and more Americans spend their active life in large industrial cities, the question is whether life can be fruitful and satisfying to the spirit, a rich, fulfilling experience rather than a drab routine of living from one paycheck to the next. I believe Flint, Mich., is working toward a positive answer to that question. I would suggest, Mr. Speaker, that this is an answer which each city and community in America must seek for itself. Because of the diversity of our cities and our people, no pat Federal formula will provide it. It must come from the interests, the energies, the aspirations of each locality.

Mr. Speaker, I would suggest that the Flint, Mich., answer to the educational challenge carries important meaning for America's schools. Every community in the land can well note two lessons from Flint's experience.

Flint has demonstrated, first, that our school systems have a tremendous reservoir of public support which has barely been tapped. Flint is singularly fortunate in having Mr. Charles Stewart Mott as one of its citizens. But all of Mr. Mott's donations could be equaled at a cost of about 2 cents per day per taxpayer. Equally valuable has been the enlightened and spirited example which Mr. Mott set for his fellow citizens of Flint. I suggest, Mr. Speaker, that such capacities for leadership, imagination, and enthusiasm are just waiting to be called upon in most American cities. We should use them.

The second lesson we learn from Flint's example is that any school system, to achieve even the basic goals of teaching children to read and write, must have the enthusiastic support of the people. Money—even Federal money—will not buy that kind of support. Open the school doors to all the people and they will enter by the thousands. They

will then support the schools, for the schools will be a part of their daily lives.

This, Mr. Speaker, is the answer of Flint, Mich., to the educational challenge and it suggests, I believe, at least part of the answer for the problems of education in America.

[From Reader's Digest, March 1959]

FLINT'S GONE CRAZY OVER CULTURE

(By Karl Detzer)

Twenty-five years ago, Flint, Mich., was an uneasy, unhappy city with more than its share of industrial grime, substandard housing, and petty crime. Big labor and big management were building up tensions that in 1937 would splash Flint into the headlines as a center of the sitdown strike. Thousands of unskilled workers lived shabbily in overcrowded quarters that nearby communities referred to as "Shantytown." Education, particularly at high school or college levels, seemed unimportant. Flint knew nothing of art, music, or literature; it cared even less.

That old Flint has disappeared. Today a lively new town shows the world a proud new face. Dreary slums are giving way to parks and playgrounds; management and labor try to settle their endless differences peaceably. Union leaders and industrialists sit down together to plan ways of making their city a better place in which to live. They still don't love one another, but both love their exciting home town.

Education is riding high. One word that the visitor in Flint hears often is "culture." It has many local meanings, ranging from the appreciation of the classics and participation in good music to the study of arc welding. Everyone in town seems to be studying something.

The city boasts (the word is understatement) a first-class symphony orchestra and several choral and chamber-music groups. A magnificent new art center brings to town a parade of exhibitions of classical and contemporary painting. A bustling new theater serves as a laboratory for Flint's acting amateurs who share its stage with visiting companies of Broadway's professionals.

The people also turn out by the thousands to jam what they insist is the finest planetarium outside the big metropolitan centers. Excited by the big displays of the heavens on its big dome, men and women all over town are grinding lenses and building backyard telescopes.

On the gently rolling 250 acres of the new campus and cultural center, just a few blocks from downtown, are grouped junior and senior high schools, a junior college with 3,600 local students and a new branch of the University of Michigan with 400 of Flint's young people on its rolls. When completed, the campus will include scientific and historical museums, a civic auditorium, an Olympic-size swimming pool, and a music center.

Most of the money for all this is raised by a committee of sponsors representing a cross section of Flint. Contributions (\$25,000 is the minimum the committee will accept) are turned over to the board of education, which holds title to the land and buildings, picks the staff, pays most of the salaries and, with the advice of the committee, charts the city's cultural progress. Two hundred individuals, families, business firms, clubs, and labor unions already have given nearly \$19 million.

Largest corporate donor, with \$3 million, is General Motors, which has Buick and Chevrolet plants in Flint. The largest individual gifts have come from an 83-year-old retired industrialist named Charles Stewart Mott, who founded his fortune with a wheel-and-axle company in which General Motors later bought a half interest.

Last fall when Mott met with a subcommittee to discuss future plans for the campus, the need for a central library to serve the four schools came up.

"Such a building would cost a million dollars," a committeeman estimated. "I'm afraid the library must wait."

Mott pondered briefly. "I'll give you a million for it at once," he said, "so you can start it right away."

The campus is the busiest place in town, its lecture halls, exhibits, and classes visited daily by thousands. But as important to the city is another, older educational experiment that started 24 years ago with a \$6,000 donation from Mott. In 41 public schools, Flint operates what is probably the most varied and extensive night school and adult education program of any community of its size in the United States. Last year 42,000 citizens, more than a fifth of the 200,000 population, attended courses, study groups, and discussion panels covering 900 subjects including the operation and literature, economics, and baton twirling.

The movement started when Frank J. Manley, physical education director in the public schools, asked Mott for money to open five school buildings in the poorer parts of town as evening recreation centers for boys. Manley stressed that school property used only 8 hours a day, 5 days a week, 9 months a year was an economically unsound investment of the taxpayers' money. Mott was interested and agreed to pay the cost of leadership for the program. Within a few years he set up a foundation to finance evening classes for adults.

The night-school curriculum now ranges from world history to elementary navigation, from creative thinking to square dancing, physics to gift wrapping. Serious students of science, languages, mathematics, and history may go on to advanced courses. Most Flint people go to school to brush up on techniques connected with their jobs, or to make up school courses they missed when they were young. But if as few as half a dozen citizens want to study a subject not on the curriculum, be it the Japanese language, Russian geography, or how to dip chocolates, the Mott Foundation provides funds to the school board for an instructor and classroom.

In its efforts to supply something for everyone, the board of education offers courses in how to combat alcoholism, and in Braille and lip reading. There is one self-help program entitled "Recovery, Inc.," for highly nervous persons and former mental patients.

Flint likes to stress family participation in its community school program. One Polish-born widow enrolled in a class to improve her English. Her son, who at 18 was working on a Chevrolet assembly line and hoping to become an engineering draftsman, took mechanical drawing; a 16-year-old daughter studied cake baking and decoration. At the schoolhouse door they parted, to meet again after classes and drive home together.

Once a week the committee representing the 200 sponsors assembles to plan for the forward march of culture in Flint. A typical meeting brings together bankers, lawyers, salesmen, merchants, auto-plant executives, an architect or editor, a school-board representative—and a retired toolmaker named Merliss Brown.

When Brown arrived in the United States as a young man, his last name was Merliss, and he knew the toolmaker's trade. At the General Motors shops in Flint, he and a friend named Brown applied for work together. Shy Merliss in his sketchy English accepted a job sweeping floors. Brown, brash and confident, talked himself into a toolmaker's post. Brown soon realized that he could not handle his job, so he quietly exchanged names with Merliss and went to sweeping floors, while Merliss began toolmaking. It was not until he was ready for retirement that the man who called himself

Merliss Brown confessed his deception to the company.

Unmarried, a man of simple habits, he had put his pay checks in the bank. After retirement, he attended some lectures and exhibitions, found them exciting and decided to help. He told the sponsors' committee he had some savings. "I don't need the money. I live quiet. Flint always was good to me. Now, it's my turn."

Civic leaders recently held a banquet to honor both Merliss Brown, who gave \$25,000, and Mott, who has given millions.

The city of Flint has profited by the awakened intellectual curiosity stirred up by the night-school courses and events on the campus. Results of a fast-rising civic pride are visible on every hand. Streets are cleaner; storefronts shine. A glistening new steel-and-glass city hall and modern police, public-health and municipal-court buildings occupy a quadrangle around a smooth, grassy park. Properly staffed playgrounds are scattered all over town.

Last fall the editor of the Bay City, Mich., *Times* went to Flint to see what all the shouting was about. Back home, he splashed his impression under a headline that Flint loved: "Shantytown to Bigtown."

ALASKA OMNIBUS ACT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table 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, with a Senate amendment thereto, and concur in the Senate amendment with an amendment as follows:

In section 23(a) of the Senate amendment, strike out the word "authorizing" and insert in lieu thereof the word "directing."

The Clerk read the title of the bill.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, is that a unanimous agreement by the committee?

Mr. ASPINALL. It was a unanimous agreement and it has been cleared with everybody on both sides of the aisle.

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

There was no objection.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert "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 '(c)' and to read as follows:

"(c) The term 'continental United States' means the 49 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 sections 9, 201(d), 207(a)(7), 601(d), 713(q), and 801(g) (12 U.S.C., secs. 1706d, 1707(d), 1713(a)(7), 1736(d), 1747(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) by 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), and 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 words 'other than Alaska' and inserting 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 '\$98,500'. 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. 151j(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. 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. 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, (1) 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 44 of this Act; and (2) 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, section 103(f);

"(2) Title 23, United States Code, section 116(d);

"(3) Title 23, United States Code, section 119;

"(4) Title 23, United States Code, section 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. 322 and the following); and

"(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C. 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), 422(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) The Judicial Conference of the United States, with the assistance of the Administrative Office of the United States Courts, shall conduct a study, including a field survey, of the Federal judicial business arising in the State of Alaska with a view toward authorizing the United States Court of Appeals for the Ninth Circuit to hold such terms of court in Anchorage or such other Alaskan cities as may be necessary for the prompt and efficient administration of justice.

"(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. 466d(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. 2911(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(1) of the Social Security Act (42 U.S.C., supp. V, sec. 402(1)), 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)), re-

lating 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 section (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. 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 personal, 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) Paragraphs (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 COMPENSATIONS 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. (a) 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, the assumption of which function is pursuant to this Act or the Act of July 7, 1958 (72 Stat. 339).

"(b) Structures and improvements of block 32 of the city of Juneau granted to the State of Alaska by section 6(c) of the Act providing for the admission of Alaska into the Union (72 Stat. 339, 340), shall include all furnishings and equipment in the structure known as the Governor's mansion, or used in the operation or maintenance thereof.

"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. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. 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 in 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 49 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."

The Senate amendment as amended was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND ON THE WHEAT BILL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members who spoke on the wheat bill (H.R. 7246) in the Committee of the Whole may revise and extend their remarks, and that all Members may have 5 legislative days in which to extend their remarks on that bill.

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

There was no objection.

FEDERAL AIRPORT ACT

Mr. HARRIS submitted a conference report and statement on the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

WHEAT LEGISLATION

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. SHORT. Mr. Speaker, I would like to make some observations about the

present wheat legislation that wheat farmers are living with and have been living with for the past several years. The statement has been made that present and proposed wheat legislation is devised for large wheat farmers. The legislation we have at present surely can be described as being not only big farmer legislation, but also real small farmer legislation. Under the present law, it has been possible for a big farmer to overseed, pay the penalty and come up with more net dollars per acre than as if he had complied with his allotment. In addition, if he overseeded enough, he could even increase his base acreage, which would result in an increase in his allotment. This increase for the individual who had not complied, under our fixed national allotment, had to be taken away from those who had complied with the program. Also, in some instances, farmers were penalized by having acres taken away from their allotment because they had not planted enough.

On the other hand, present wheat laws have enabled anyone, anywhere, whether or not he had ever raised wheat before or not, to raise up to 15 acres of wheat, just as if he had a 15-acre allotment. The only difference being that he was not eligible for a Commodity Credit loan. Since the loan program effectively pegged the price at the support level, however, this was no hardship on this 15-acre farmer. In 1941, when the 15-acre exemption provision was adopted by Congress, there were not too many farmers raising less than 15 acres of wheat. Everyone is in agreement that the little farmer should be given an extra break. What has happened, however, under the law, as the small farmer took advantage of this provision of the law, and incidentally these people are not all small farmers, wheat raising was expanded by leaps and bounds outside the traditional wheat growing areas. As enough of this expansion took place, new States became eligible for inclusion as commercial wheat States. They were given a State allotment which had to be taken from the total national allotment. In readjusting the national allotment, States such as my State of North Dakota, had to take a cut which was proportionately absorbed by every farmer in the State. These farmers, whose primary means of livelihood stemmed from wheat production, were cut down on their allotments to give people who, in most instances, had never raised a bushel of wheat before in their lives, an opportunity to go into the wheat business.

My State of North Dakota has suffered more than any other major wheat producing State from the workings of these peculiarities in the present law. With the Nation's highest percentage of compliance with allotments, we have lost almost twice the acreage of any other wheat-producing State.

To clarify further, if possible, the picture of who produces wheat and the size of operation under which the great majority of wheat is produced, let me give you a few statistics regarding the size of wheat farms in North Dakota. On the great majority of these farms, wheat is the primary income. We do not have

a great variety of crops that can be produced on farms in the larger portion of my State. I must say that livestock production could be greatly expanded, but even that has definite limitations.

In North Dakota, the largest group of farmers as to size of wheat allotments, is in the size category between 100 and 200 acres, 19,523. The next largest category is between 50 and 75 acres, where we have 12,744. Below 50 acres in size, we have a total of 23,228, almost one-third of our farms. In the 200- to 300-acre category, we have only 4,731. In the 300- to 400-acre category, 1,542. In the 400- to 500-acre category, 489. In the 500- to 1,000-acre category, 399. Above 1,000 acres, we have only 29 allotments. I might add here that if all these 1,000-acre allotments were added together, they would be some short of the 40,000-acre wheat farm mentioned on the floor here yesterday. So far as my State is concerned, we just don't have any real large wheat farms.

H.R. 7680: THE ROOSEVELT LABOR-MANAGEMENT REFORM BILL

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a bill.

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

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, Wednesday evening, the Joint Subcommittee of the House Committee on Education and Labor closed the public hearings on proposed management-labor reform bills.

Today, the difficult task of approving legislation for the consideration of the House has begun. In an effort to provide a constructive approach, as the result of the weeks of public hearings, I have today introduced a bill. Under unanimous consent, I include it following these remarks.

It is readily apparent that the bill is drawn from four principal sources: First, the testimony of witnesses; second, the so-called Kennedy-Ervin bill; third, the management-labor reform bill passed by the Legislature of the State of New York and signed by its Governor; and, fourth, the proposal of my colleague, Representative KEARNS, H.R. 7265.

I would invite particular attention to the New York statute. New York, like my own California, is a leading industrial State. Its legislature has strong Republican majorities. Its Governor is a registered Republican. After considerable debate and consideration, it adopted a statement of findings and policy which I have embodied as section 2 of my proposal. This policy is moderate and strikes directly at the abuses of fiduciary responsibility of some labor officials which are the main concern of working men and women and the general public. It does not attempt to embark on a new policy of interference in the internal management of unions. It expressly, as in section 210(b) of my pro-

posal, does not raise or limit further the right to strike, picket or other concerted activities for the purpose of collective bargaining. But I emphasize this omission is not a blanket approval of all such present practices. That there is a need for a thoughtful, constructive reappraisal of these activities is denied by no one. I have heeded the advice and opinions given us only yesterday by Senator JOHN McCLELLAN before the House subcommittee. My proposal, therefore, calls for a special joint committee of the Congress to make such a study and report by April 1, 1960, in order that its recommendations may be acted on before the end of the 86th Congress.

I have long been a worker for the rights of minorities and individuals, within the framework of the needs of the general welfare. The evidence before us demands, I believe, a workable bill of rights for the protection of union members. This, my proposal contains.

Finally, I would stress the simplicity and directness of the proposed measure. It is offered with no claim of perfection, nor will it achieve the goals of extremists. It is offered because of my firm conviction that reasonable legislation is necessary now, and that proposals for more radical and far-reaching steps need further, but not unlimited, consideration for which I have provided.

H.R. 7680

Bill to provide for certain obligations of officers and agents of labor organizations and of employer organizations, employers, and labor relations consultants; and providing for a study of management-labor problems generally

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 "Labor and Management Improper Practices Act of 1959."

Declaration of findings, purposes, and policy

Sec. 2. The rights of employees to organize and to bargain collectively through labor organizations of their own choosing have been affirmatively protected by the Federal laws. Encouraged by these laws, a substantial proportion of the employees in the Nation have become members of, and contribute financially to, labor organizations for the purpose of bargaining collectively with their employers concerning wages and other conditions of employment. To the officers and agents of their labor organizations, these employees have entrusted their funds and the power to act in their behalf in achieving the purposes of their labor organizations.

Experience has shown instances where officers and agents of some labor organizations have abused their positions of fiduciary responsibility.

Experience has also shown instances in which some employers, employer organizations, and labor relations consultants have participated in or induced such abuses of fiduciary responsibility by officers and agents of such labor organizations.

Responsible leaders of the labor movement have recognized that union officers and agents have a fiduciary duty to serve the members of the union honestly and faithfully, and these leaders have taken courageous action against those who have violated their trust. Experience, however, has shown that labor's efforts to correct abuses from within need to be aided and supplemented by legislation.

Such abuses have had a harmful effect on the general welfare, health, and safety of employees and the public, and have the

tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce. Accordingly, it is hereby declared to be the public policy of the United States that officers and agents of a labor organization shall be held to a fiduciary obligation in handling the labor organization's assets; that such officers and agents shall not acquire financial interests which interfere or tend to interfere with the faithful performance of their responsibility to the labor organization; and that such officers and agents shall account fully to the members of such labor organizations for all assets and financial transactions. It is hereby further declared to be the public policy of the United States that employers, employer organizations, labor relations consultants, and other persons shall not participate in or induce violations of such fiduciary obligation by officers and agents of labor organizations.

Definitions

Sec. 3. When used in this Act the term—

(1) "Person" includes one or more individuals, partnerships, associations, or corporations, whether acting for themselves or in a representative capacity.

(2) "Labor organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employees in dealing with employers or employer organizations engaged in an activity or industry affecting commerce concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relations, and shall include the parent national or international organization of a labor organization.

(3) "Employer" means any person engaged in an activity or industry affecting commerce employing another includes any person acting as an agent of an employer, directly or indirectly.

(4) "Employer organization" means any organization of any kind which exists for the purpose, in whole or in part, of representing employers in dealing with employees or labor organizations concerning terms and conditions of employment, grievances, labor disputes, or other matters incidental to the employment relationship.

(5) "Labor relations consultant" means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities, but shall not include a director, officer, or regular employee of such employer, employer organization, or labor organization, or an attorney engaged in the practice of law.

(6) "Officer" means any person holding or, in fact, performing or authorized to perform the functions of an office named or described in the constitution, charter, articles of incorporation, articles of association, or by-laws of a labor organization or employer organization.

(7) "Agent" means any person, other than an attorney engaged in the practice of law, who represents or is authorized to represent a labor organization or employer organization, alone or with others, in its dealings with employers, employees, members, employer organizations, labor organizations, or other persons, regardless of whether his relationship to the labor organization or employer organization is that of an independent contractor or employee.

(8) "Commerce" means trade, traffic, commerce, transportation, transmission or communication among the several States or between any State and any place outside thereof. For purposes of this sub-section, "State" includes any State of the United States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462).

(9) An activity or industry "affecting commerce" means any activity or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act of 1947, as amended.

TITLE I—BILL OF RIGHTS

SEC. 101. The constitution, by-laws, or other basic documents of every labor organization, as adopted and approved by its membership, shall include the following—

(1) Rules of order for the conduct of its meetings and conventions;

(2) Provisions for charges, notice and hearing in disciplinary matters, other than fines for non-attendance at union meetings and for failure to pay dues;

(3) Provisions setting forth the right to seek redress against such union in the courts of law or before administrative agencies after exhaustion of remedies within a reasonable period of time, not to exceed six months;

(4) The democratic right to vote on new or additional dues or initiation fees, and to vote on assessments exceeding \$12.00 in any one fiscal year;

(5) The democratic right to attend union meetings, participate in union affairs, and participate and vote on nominations and elections of union officers;

(6) The right to express views, arguments, or opinions in all matters directly or indirectly affecting the union:

Provided, That nothing in this section shall be construed to impair the right of a labor organization to make reasonable rules and regulations with respect to the matters herein, including, but not limited to, maintenance of order and decorum at union meetings, and the right to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and as a collective bargaining agent and to his refraining from conduct that would interfere with the performance of its legal or contractual obligations. Such rules and regulations shall be presumed to be reasonable unless held to the contrary by the court of competent jurisdiction as herein-after provided.

SEC. 102. Any member who shall feel aggrieved because of the failure of a labor organization to comply with the above, or to comply with its constitution, bylaws, or basic documents relating to the above, shall first exhaust his remedies within such organization. If, after a period of six months, such remedies have not been finally exhausted or the complaint satisfactorily adjusted, such member may then file a sworn complaint with the Federal Mediation and Conciliation Service. The Service shall make an investigation and conduct a hearing if it deems necessary, and if the Federal Mediation and Conciliation Service finds that further extension of time for exhaustion of remedies within such organization is unreasonable. The Service may dismiss the complaint or issue advisory recommendations with respect thereto, but neither the member nor the labor organization shall be required to accept such recommendations. If the member still feels aggrieved after final action of the Service he may bring an action in a district court of the United States for such relief as may be appropriate. Any

such action against a labor organization shall be brought in a United States District Court of the district where the alleged violation occurred or where the headquarters of such labor organization is located.

SEC. 103. The Federal Mediation and Conciliation Service shall keep adequate records of the matters presented to it under the procedures set forth herein and shall report its findings and recommendations to the Senate and the House of Representatives by not later than January 31, 1961, and annually thereafter on January 1.

TITLE II—FIDUCIARY OBLIGATIONS; REPORTING Fiduciary obligations of officers and agents

SEC. 201. No officer or agent of a labor organization shall, directly or indirectly—

(1) have or acquire any pecuniary or personal interest which would conflict with his fiduciary obligation to such organization;

(2) engage in any business or financial transaction which conflicts with his fiduciary obligation; or

(3) act in any way which subordinates the interests of such labor organization to his own pecuniary or personal interests.

Specific prohibited financial interests and transactions

SEC. 202. (a) Without limiting his fiduciary obligation provided in section 201, it shall constitute a violation of his fiduciary obligation for an officer or agent of a labor organization—

(1) to have, directly or indirectly, any financial interest in any business or transaction of either an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, or an employer who is in the same industry as such an employer;

(2) to have, directly or indirectly, any financial interest in the business or transaction of any person who sells to, buys from, or otherwise deals with (A) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, (B) an employer organization which represents such employer, or (C) an employer who is in the same industry as such an employer;

(3) to have, directly or indirectly, any financial interest in the business of any person who sells to, buys from, or otherwise deals with his labor organization;

(4) to have, directly or indirectly, any financial interest in any transaction with his labor organization for the purchase or sale of property or services, except reasonable compensation for services rendered by him to such organization as officer or agent;

(5) to receive, directly or indirectly, any payments, loans, or gifts from (A) an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining (B) an employer organization which represents such employer, or (C) an employer who is in the same industry as such an employer: *Provided*, That such an officer or agent may receive reasonable compensation for services rendered by him as an employee of such employer, or payments required by collective agreement to be made in lieu of wages for time lost from work while engaged in collective bargaining, handling of grievances, or otherwise in the administration of a collective agreement;

(6) to lend any funds of the labor organization, directly or indirectly, to either an officer, agent, or employee of such organization, or any business in which an officer, agent, or employee of such organization has, directly or indirectly, a financial interest: *Provided*, That loans may be made from a loan fund which has been set aside in accordance with a written resolution of the governing board of the labor organization for the specific purpose of making personal loans to its officers, agents, and employees

generally, on compliance with established, written rules; or

(7) to lend or invest any funds of the labor organization, directly or indirectly, in any business of an employer whose employees his labor organization represents or seeks to represent for purposes of collective bargaining, except where the governing board of the labor organization has adopted a written resolution finding and determining that such loan or investment will promote the best interests of the employees and will not adversely affect collective bargaining.

(b) The fact that conduct or acts of an officer or agent of a labor organization have not caused damage to such organization or any of its members, or have been ratified or acquiesced in by such organization or its members, shall not be relevant in determining whether such conduct or acts constitute a violation by such officer or agent of any of the obligations provided in section 201 and in this section.

(c) Nothing contained in this section shall prohibit an officer or agent of a labor organization from—

(1) holding a financial interest acquired as an employee through a regularly established employee benefit plan, including a stock purchase, profit sharing, pension or retirement plan;

(2) holding securities traded on a securities exchange registered as a national exchange under the Securities Exchange Act of 1934, or shares in an investment company registered under the Investment Company Act of 1940, or securities of a public utility holding company registered under the Public Utility Holding Company Act, and all Federal laws amendatory and supplemental to such Acts: *Provided*, That any investment in such securities or shares shall not constitute more than 1 percent of the outstanding securities or shares of the respective class or classes of securities or shares which he holds;

(3) lending to, or investing in, any business owned predominantly by a labor organization or labor organizations; or

(4) receiving gifts, otherwise lawful, from employers whose employees his labor organization represents and from employer organizations which represent such employers, provided the cumulative retail value of such gifts from all such employers and employer organizations does not exceed one hundred dollars in any calendar year.

(d) Nothing contained in this section shall prohibit any labor organization from—

(1) acquiring a nominal number of shares in any corporation for the purpose of qualifying as stockholder in order to obtain financial statements of the corporation; or

(2) lending to, or investing in, any business owned predominantly by a labor organization or labor organizations.

Obligation of employers and others

SEC. 203. No employer, employer organization, labor relations consultant, or other person shall knowingly participate in or induce any conduct or act which violates any of the obligations of any officer or agent of a labor organization provided in section 202.

Enforcement of fiduciary obligations

SEC. 204. (a) Where an officer or agent of a labor organization has violated or is violating any of his obligations provided in sections 201 and 202, such labor organization and the parent organization of such labor organization shall each have the right to bring an action or proceeding in any United States district court for legal or equitable relief to redress such violation of obligation. Any member of such labor organization shall have the right to bring such action or proceeding if (1) after request by any member that such action or proceeding be brought, such organization shall fail to do so, (2) such request would be futile, or (3) such

organization has failed to prosecute diligently any such action or proceeding which it has brought.

(b) If any such action or proceeding is determined in favor of such organization or any such member, the court may award, in addition to other costs authorized by law, reasonable attorneys' fees and disbursements out of any moneys awarded or funds or assets recovered in such action or proceeding.

(c) Any employer, employer organization, labor relations consultant, or other person who knowingly participated in or induced any conduct or act which violates any of the obligations of an officer or agent of a labor organization provided in sections 201 and 202, shall be subject to the same liabilities and judicial remedies as such officer or agent, including but not limited to joint and several liability with such officer or agent for any losses suffered by the labor organization, or any member thereof, as a result of any such violation of obligation, and joint and several liability to pay over to such labor organization or such member any gains or profits made as a result of such knowingly participation or inducement.

(d) Each willful and knowing violation of any of the provisions of sections 203 and 204 of this Act shall constitute a misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than \$1,000, or both.

Financial reporting

SEC. 205. (a) Every labor organization and employer organization shall file with the Secretary of Labor within six months after this Act becomes effective and thereafter annually within five months after the end of its fiscal year, a verified report showing the financial condition and financial transactions of the organization during the fiscal year. The president or chief executive officer and the treasurer or chief financial officer of the organization personally shall be responsible for the preparation and filing of the report, and both shall verify such report.

The report shall be in such form and contain such matters as the Secretary of Labor may determine from time to time to be necessary to disclose accurately the organization's financial condition and operations during the preceding fiscal year, including the following—

(1) the name of such organization and the address of its principal place of business;

(2) the names, titles, and compensation, allowances, and expenses of its three principal officers and of any of its other officers or agents whose aggregate compensation, allowances, and expenses for the year exceeded \$10,000;

(3) loans of funds or gifts of the labor organization, directly or indirectly, to any officer, agent, or employee of the labor organization where the aggregate of such loans outstanding at any one time during the year exceeds \$500 or the aggregate of such gifts during the year exceeds \$100 in the case of the particular individual;

(4) loans or investments of funds of the labor organization in any business of an employer whose employees the labor organization represents or seeks to represent for purposes of collective bargaining; and

(5) the amounts and sources of its receipts, the amounts and purposes of its disbursements during the fiscal year, and its assets and liabilities as of the end of the year.

The Secretary of Labor may, to effectuate the purposes of this Act, vary the nature of the report required according to the size and type of the organization.

(b) Every labor organization and employer organization organized after the effective date of this Act shall file a report with the Secretary of Labor within thirty days after the making of its first collective bargaining agreement. The report shall contain such information relating to the organization, op-

eration, and affairs of such organization as may be prescribed by the Secretary of Labor, including, but not limited to, its name and business address, the names of its officers, its affiliation, if any, with any parent organization, and the date on which its fiscal year ends. The president or chief executive officer and the treasurer or chief financial officer of the organization personally shall be responsible for the preparation and filing of the report, and both shall verify such report.

(c) Every employer who employs ten or more regular employees, shall file with the Secretary of Labor, within six months after this Act becomes effective, and thereafter annually within five months after the end of his fiscal year, a verified report, in such form as the Secretary of Labor may from time to time determine, setting forth the following—

(1) the name of the employer, the nature of his business, and the address of his principal place of business;

(2) the name of any employers' organization of which he is a member;

(3) the name of each labor organization which the employer recognizes as a representative of his employees for purposes of collective bargaining, or which has served notice on the employer that it demands recognition as such representative;

(4) payments made directly or indirectly during the preceding fiscal year, to any person for the performance of, or under an arrangement to perform, any acts of:

(A) interference with, or restraint or coercion of, employees in their forming or joining labor organizations;

(B) interference with, or restraint or coercion of, employees in their choice of representatives for purposes of collective bargaining; or

(C) interference with, or restraint or coercion of, employees in their engaging in concerted action for mutual aid and protection.

(5) any financial interest which an officer or agent of a labor organization has, directly or indirectly, in the employer's business or financial transactions;

(6) any payments, loans, or gifts made by the employer, directly or indirectly, to an officer or agent of a labor organization.

Such report or any portion thereof may be required by the Secretary of Labor of any other employer if the Secretary of Labor finds that such report is necessary to effectuate the purposes of this Act.

Nothing in this subsection shall be construed to require an employer to report payments to employees for services rendered in the regular course of employment, or payments required by collective agreement to be made in lieu of wages for time lost from work while engaged in collective bargaining, handling of grievances, or otherwise in the administration of a collective agreement. Nothing contained in paragraph (5) of this subsection shall require an employer, the securities or shares of which are described in paragraph (2) of subsection (c) of section 202 of this Act, to report holdings of such securities or shares by officers or agents of any labor organization other than the labor organization which represents its employees for purposes of collective bargaining.

(d) Every labor relations consultant shall file with the Secretary of Labor within six months after this Act becomes effective, and thereafter annually within five months after the end of his fiscal year, a verified report showing his receipts and disbursements during the preceding fiscal year for, and any agreement or arrangement in which he has participated in any way for the performance of any acts of, interference with, or restraint or coercion of employees in their forming or joining labor organizations, choosing of representatives for purposes of collective bargaining, or engaging in concerted action for mutual aid and protection.

The report shall be in such form and contain such other matters as the Secretary of Labor may determine from time to time to be necessary to disclose accurately the labor relations consultant's activities and effectuate the purposes of this Act.

(e) The Secretary of Labor may, for the purpose of assuring the completeness of any report required to be filed by this section or compliance with such reporting requirements, address to any officer, agent, or employee of a labor organization, employer organization, employer, or labor relations consultant inquiries relating to the financial matters and financial transactions required to be reported by this section, and may require that replies to such inquiries be submitted in writing and verified by such individuals as he designates.

(f) The contents of all reports submitted under paragraphs (1), (2), (3), and (4) of subsections (a) and (c) of this section shall be public information, and such reports shall be available for public inspection under such conditions as the Secretary of Labor shall prescribe. The contents of all reports submitted under subsection (e) of this section shall be made available to the advisory council established under section 209 and to appropriate law enforcement agencies and officials, and the advisory council and the Secretary of Labor may use such contents in the preparation and publication of studies, reports, and surveys.

(g) Every labor organization and employer organization shall make available to each of its members, in such manner as the Secretary of Labor shall prescribe, a copy of its annual financial report or such portions thereof as the Secretary of Labor shall find relevant and appropriate. The officers responsible for the preparation and filing of reports under subsection (a) of this section shall be responsible for providing copies of reports under this subsection.

Accounting requirements

SEC. 206. (a) Every labor organization and employer organization shall maintain detailed and accurate books and records of account in conformity with generally accepted accounting principles and in accordance with standards prescribed by the Secretary of Labor: *Provided*, That the standards prescribed may vary according to the size and type of the organization. Every employer of ten or more employees and every labor relations consultant shall maintain detailed and accurate books and records of account of all matters required to be reported under section 205 of this Act. All books and records of account shall be preserved for a period of five years after the filing of reports based on the information which they contain. The officers required to prepare and file reports under section 205 of this Act, shall be responsible for the maintenance and preservation of books and records of account required by this section.

(b) The Secretary of Labor, when he has reasonable cause to believe that the required accounting standards have not been maintained or that the books and records do not accurately reflect the financial condition and financial transaction of the labor organization or employer organization, may examine the books and records of the organization, subpoena witnesses and documents, and make such other investigation as is necessary to enable him to determine the facts relative thereto.

The Secretary of Labor, when he has reasonable cause to believe that the books and records do not accurately reflect the matters required to be reported by the employer or labor relations consultant, may examine the books and records of such employer or labor relations consultant, subpoena witnesses and documents, and make such other investigation as is necessary to enable him to determine the facts relative thereto.

(c) For the purpose of any investigation provided for in this Act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

Enforcement of financial reporting and accounting duties

SEC. 207. (a) Any officer, agent, or employee of any labor organization or employer organization, or any employer or labor relations consultant who willfully fails or refuses to comply with any provision of sections 205 and 206 of this Act, or who makes or files a report or reply required under these sections knowing that it contains false information, shall be guilty of misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than \$1,000, or both.

(b) Any officer, agent, or employee of a labor organization or employer organization, or any employer or labor relations consultant who knowingly causes any person to fail or refuse to comply with any provision of sections 205 and 206 of this Act, or who causes any person to make or file a report or reply required under these sections knowing that it contains false information shall be guilty of a misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than \$1,000, or both.

(c) If any officer, agent, or employee of a labor organization or employer organization, or any employer or labor relations consultant fails or refuses to comply with any provision of sections 205 and 206 of this Act, or causes any person to fail or refuse to comply with the provisions of these sections, the Secretary of Labor may issue an order directing compliance. If the order is not complied with within ten days after issuance, he may institute a proceeding in a United States district court to compel compliance with these sections.

Rules and regulations; extensions of time

SEC. 208. (a) The Secretary of Labor may, from time to time, promulgate, amend and rescind appropriate rules and regulations designed to carry out the express provisions and purposes of this Act.

(b) For good cause shown, the Secretary of Labor may grant reasonable extensions of time for doing any act required by this Act.

Advisory council

SEC. 203. (a) An advisory council is hereby established consisting of three members appointed by the President, by and with the advice and consent of the Senate, one of whom shall be designated as chairman by the President. All members of the advisory council shall be appointed for terms of three years: *Provided*, That of the members first appointed, one shall be appointed for a one-year term, and one shall be appointed for a two-year term. Any member chosen to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member whom he is to succeed.

(b) The advisory council shall keep informed as to current facts and trends relating to ethical practices of labor and management, and shall from time to time make reports to the President and the Congress concerning the operation, administration and enforcement of this Act, together with any recommendations for improvement or revision.

(c) The members of the advisory council shall receive the sum of fifty dollars for each day or part thereof spent in attendance at meetings or otherwise in the work of the council, and, in addition, they shall be al-

lowed actual and necessary traveling expenses.

Construction and saving clause

SEC. 210. (a) Nothing contained in this Act shall be construed to relieve any labor organization, employer organization, or any of its officers, agents, employees, representatives or members, or any employer or labor relations consultant from compliance with any other provision of any other applicable Federal law.

(b) Nothing contained in this Act shall be construed to limit or otherwise affect the right of any person under any statute or rule of law to organize or join labor organizations, to bargain collectively, to picket, strike, or engage in other concerted activities for the purpose of collective bargaining or other mutual aid and protection, or the right of any labor organization under any statute or rule of law to carry on such activities, nor to enlarge or otherwise affect the power of courts to issue injunctions under the provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101-115).

Separability

SEC. 211. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Study of Taft-Hartley Act and other matters related to labor-management relations

SEC. 212. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Labor-Management Relations (hereafter referred to as the "committee"), and to be composed of five Members of the Senate Committee on Labor and Public Welfare, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives Committee on Education and Labor, to be appointed by the Speaker of the House of Representatives. Not more than three Members, in each instance, shall be members of the same political party. A vacancy in membership of the committee shall be filled in the same manner as the original selection. The committee shall select a chairman and vice chairman from among its members.

The committee shall make a full and complete investigation and study to determine what legislation may be needed to supplement and support the efforts of responsible trade unionism to assure democratic procedures within labor organizations, and with respect to legislation on management-labor problems generally. The committee shall report its findings and recommendations to the Senate and House of Representatives not later than April 1, 1960.

(b) The committee shall have the power to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed \$50 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government and may request the governments of the several States, representatives of business, industry, finance, and labor, and such other persons, agencies, organizations, and instrumentalities as it deems appropriate to attend its hearings and to give and present information, advice, and recommendations.

(c) The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-Sixth Congress; to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures within the amount appropriated therefor; as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

TITLE III—AMENDMENTS TO THE NATIONAL LABOR RELATIONS ACT OF 1947, AS AMENDED

SEC. 301. Section 14 of the National Labor Relations Act is amended by adding at the end thereof the following new subsection:

"(c) (1) Nothing in this Act shall be construed as to prevent any State or Territorial agency other than a court, from exercising jurisdiction over all cases over which the Board has jurisdiction, but by rule or otherwise, has declined to assert jurisdiction: *Provided*, That where such State or Territorial agency does not exist, the Board cannot decline to assert jurisdiction: *Provided further*, That the State or Territorial agency shall apply and be governed solely by Federal law as set forth in section 8(a) and 8(b), and 9 in this Act, as the case may be, and Board and Federal court rules of decision construing said sections 8(a), 8(b), and 9. Injunctive relief under section 10(j) and 10(l) shall be available to such agency: *Provided further*, That no petition under section 10(j) shall be filed unless it has been expressly approved by the General Counsel of the National Labor Relations Board.

"(c) (2) The State or Territorial agency may petition any district court of the United States within such State or Territory for the enforcement of a final order of such agency and for appropriate temporary relief or restraining order. Such court shall make and enter an order or decree enforcing, modifying, enforcing as so modified, or setting aside in whole or in part the order of such agency.

"(c) (3) Any person aggrieved by a final order of the State or Territorial agency granting or denying in whole or in part the relief sought may obtain a review of such order in a district court of the United States in such State or Territory. Upon such filing, such district court shall proceed in the same manner, and have the same jurisdiction, as in the case of an application for enforcement under section (c) (2)."

SEC. 302. Section 8 of the National Labor Relations Act is amended by adding at the end thereof the following new subsection:

"(e) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) because (1) the majority status of such labor organization has not been established under the provisions of section 9 of this Act prior to the making of such agreement, or (2) such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later, or (3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer

qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area: *Provided*, That nothing in this subsection shall set aside the final proviso to section 8(a)(3) of this Act: *Provided further*, That any agreement which is valid solely by reason of clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e)."

(b) Nothing contained in the amendment made by subsection (a) shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

Sec. 303. (a) Sections (9) (f), (g), and (h) of the National Labor Relations Act, as amended, are hereby repealed.

(b) Section (8)(a)(3) of the National Labor Relations Act, as amended, is amended by striking out the following: "and has at the time the agreement was made or within the preceding 12 months received from the Board a notice of compliance with sections 9 (f), (g), and (h)".

Effective date

Sec. 304. This Act shall take effect ninety days after the date of the enactment of this Act, except that section 212 shall take effect immediately.

DEBT MANAGEMENT CAN BE ASSISTED BY A CHANGE IN FEDERAL RESERVE MONEY MANAGEMENT POLICIES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. REUSS. Mr. Speaker, today I testified before the House Committee on Ways and Means, concerning the necessity of a proper congressional directive to the Federal Reserve System on our critical and pressing problem of debt management. My statement follows:

Mr. Chairman, I propose the following amendment to upcoming legislation relating to the public debt:

"It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should, to the maximum extent consistent therewith, utilize such means as will assist in the economical and efficient management of the public debt; that the system, to the greatest extent possible, should bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities, rather than by further lowering bank reserve requirements; and that the System should promptly and fully explore methods whereby use of the power to raise reserve requirements may become a more usable and effective anti-inflationary tool."

The House Committee on Ways and Means is considering a bill to remove the present interest ceilings on savings bonds and on Treasury bonds, and to raise the public debt limit from \$283 billion to \$288 billion, with a temporary increase to \$295 billion.

The bill to accomplish this is called "a bill to facilitate management of the public debt." It has been brought about by the

crisis in our debt management—higher and higher interest rates, lower and lower market prices for U.S. securities, less and less investor interest in the national debt.

If the bill merely removes the ceilings on the interest rate and on the amount of the national debt, it might better be entitled "A bill to facilitate mismanagement of the public debt." For it will encourage our monetary managers to continue on the dead-end course on which they are embarked.

Merely raising the interest paid on the national debt is not going to solve anything. The \$8.5 billion carrying charge on the national debt for fiscal 1960 is already the largest single nondefense item in the budget. Further increases in the interest rate are not merely going to increase the burden on the taxpayer. As high interest rates communicate themselves throughout the entire economy, economic activity everywhere, but particularly in housing, local government activities, public utilities, and small business is going to be hurt.

The amendment I propose would express the sense of Congress that the Federal Reserve System should not continue to turn its back on the management of the national debt, as it has been doing for some years. Of course the Federal Reserve's sole mission should be a sound monetary policy. But there is no reason why a sound monetary policy cannot be used to help, rather than to hurt, debt management. The proposed amendment involves no backtracking on the Treasury-Federal Reserve Accord of 1951, no commitments to peg the U.S. security market at par, no support measures at a time when monetary expansion would be inflationary.

The principal directive of the amendment would be that the Federal Reserve "should bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities, rather than by further lowering bank reserve requirements."

Consistently since 1953, the Fed has expanded the money supply, where it has expanded it at all, by lowering reserve requirements of member banks. In the case of central reserve city banks (New York and Chicago), reserve requirements have been lowered from 24 in 1953 to 18 today. In the case of reserve city banks, requirements have been lowered from 20 in 1953 to 16½ today. In the case of country banks, reserve requirements have been lowered from 14 in 1953 to 11 today.

About \$4.3 billion of reserves has been added to the banking system by this method—enough to create 6 times as much credit, or almost \$26 billion worth.

Never once since 1953 has the Federal Reserve, when it was pursuing anti-inflationary policies, tightened reserve requirements. Instead, it has tightened money solely by raising the rediscount rate and by selling U.S. securities from its portfolio.

What is more, the Federal Reserve System has recently stated very clearly its continuing intention of adding to the money supply by lowering reserve requirements, as opposed to adding to the money supply by purchasing U.S. securities for its portfolio. I recently collected these policy statements from the Federal Reserve System and set them forth in the CONGRESSIONAL RECORD for June 4, 1959, at pages 8963-8964.

The proposed congressional directive to the Federal Reserve to use purchases of U.S. securities as its principal method of expanding the money supply would help the cause of debt management in three major ways:

(1) It would raise somewhat the price of U.S. securities, and thus lower somewhat the going interest rate, not only on U.S. securities, but on all debt, public or private. Cushioning fluctuations on the downward side would make governments more attractive to investors. Even if the additions to

the money supply in the future need to be only the modest 3 percent currently recommended by the Federal Reserve (I think 4 or 5 percent would be more like it), this requires an addition to the money supply of close to \$6 billion annually, or close to \$1 billion in new reserves. If the Federal Reserve achieves this expansion in reserves by purchases of U.S. securities, it will have assured the maximum amount of support for U.S. securities, consistent with sound monetary policy (assuming reserve requirements remain unchanged). It should be noted that the proposed congressional directive to the Federal Reserve speaks of purchasing U.S. securities or varying maturities. The Fed presently restricts itself to a bills only policy which needlessly deprives the U.S. security market of the maximum support per dollar that it ought to have.

(2) It would save many millions of dollars annually for the taxpayers, because the interest charge on the national debt owned by the Fed comes back to the Treasury. For example, if the Fed had purchased \$4.3 billion of U.S. securities in recent years, instead of achieving this increase in outstanding reserves by lowering reserve requirements, at current interest rates something in the neighborhood of \$160 million would be saved for U.S. taxpayers. For the future, if the Fed's net purchases of U.S. securities average only \$1 billion a year, in 10 years this would amount to \$10 billion worth of national debt. The savings on this sum could be close to \$400 million a year, at current interest rates.

(3) It would at least partially protect the Treasury against the frequent embarrassment of attrition, whereby holders of maturing national debt suddenly elect to take cash, rather than a refunding security. In May, for example, one-third of the holders of a maturing 1-year note suddenly demanded cash, rather than to take another 1-year refunding note.

So far we have been discussing solely decreases in the reserve requirement, and making the point that this method of increasing the money supply does not help in the management of the national debt, as does the method of purchasing, or at least retaining in the Fed's portfolio, U.S. securities. However, there may well be occasions when the Federal Reserve, from the standpoint of both sound monetary policy and sound debt management policy, may wish to, and in fact should, raise reserve requirements. The Fed gives as its reason for not having done so, and for proclaiming its intention of not doing so in the future, that the reserve-raising power is a clumsy weapon, in that it may operate harshly upon certain member banks.

There is strong reason to believe that the Federal Reserve, if it really wanted to smooth off the rough edges of its debt management policy, could do so by a series of very simple amendments. A number of sound and sensible ways of doing this, recommended by the late E. A. Goldenweiser, former director of research for the Federal Reserve System, and published by the Committee for Economic Development, are set forth in my remarks on the floor on June 4, 1959 (CONGRESSIONAL RECORD, p. 8965).

The House Committee on Banking and Currency on May 28, 1959, formally requested the Federal Reserve to explore methods of making the reserve-raising power a usable and effective method. The committee said:

"Your committee firmly believes that the Board's monetary tools must be as efficient as possible. We are concerned over indications that increases in reserve requirements may be considered too blunt a weapon to use effectively. Accordingly, the Federal Reserve Board is requested to give further study to this problem, and to report to the committee as soon as practicable concerning possible

improvements in the techniques of employing reserve requirements as an anti-inflationary tool, together with recommendations for any remedial legislation that may be necessary to put these improvements into effect" (committee report, p. 6).

The entire Congress should express the same wish as did the House Committee on Banking and Currency—that the Fed should refurbish its reserve-raising powers, both to fight inflation when inflation threatens, and to permit a decent Fed participation in the debt management processes without giving rise to inflationary dangers.

Our debt managers need some guidance from Congress. The proposed amendment endeavors to provide this. In the long run, sustained economic growth, increased savings, reasonable price stability, national budgets balanced at full employment and production, are the royal road not only to a healthy economy, but to a well managed national debt. Meanwhile, Congress must give the clearest kind of immediate directive that it can.

PANAMA: BACKGROUND AND FOREGROUND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Flood] may extend his remarks at this point in the Record.

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

There was no objection.

Mr. FLOOD. Mr. Speaker, during the past 3 years I have made a series of addresses on interoceanic canal problems, specializing on the juridical questions of control and jurisdiction of the Panama Canal. In the ensuing discussions, public interest has steadily mounted, with many illuminating articles and editorials in various publications of the Nation.

The most recent to appear is an able discussion in *Spotlight*, the publication of the Committee for Constitutional Government. Because of its significance, under leave granted to extend my remarks, the text is quoted as follows:

PANAMA: BACKGROUND AND FOREGROUND

(Earl Harding was an editor of the New York World, assigned to investigate the events leading to the creation of the Republic of Panama. Among all newspaper editors and lawyers who were active in the legal struggle over the libel suit, Mr. Harding is now the sole survivor. Many of his original findings are disclosed for the first time in this book "The Untold Story of Panama," digested in this *Spotlight*. Reviewed by Thomas P. McCann in U.S.A., a magazine of fact and opinion published every other week by Alice Widener.)

Most Americans take the Panama Canal for granted, regarding it with only cursory interest. They think of it as something that has always been and will always be. Yet just the opposite is true. The Panama Canal hasn't always existed, it may not always be what it is now, and it is a matter of vital concern to everyone in our country.

Earl Harding points out in "The Untold Story of Panama" that now, more than at any other time in the history of the canal, this lifeline is being threatened by a complex of political, economic, engineering, and defense problems. He believes that before solutions to these problems can be found, it is essential to reappraise realistically, in the light of current events, the facts con-

cerning U.S. relations with the Republic of Panama.

Aspects of the current international situation in relation to the canal were ably described in the March 1957 issue of the *Legion* magazine by Maurice Ries, who wrote in an article entitled "Let's Look at Our Own Canal—We May Lose It, Thanks to the Internationalists":

"The Panama Canal is our jugular vein, our lifeline. Cut it and the United States dies. Wrest it from our control and in matters of seaborne commerce and naval defense the U.S. east and west coasts again become, as once they were, months instead of days apart.

"Block it and our foreign commerce strangles. Take it away from us and we have no further right to establish defenses so far to the south.

"The result will be that then our hemispheric relations will change, and our foreign policy must change, and no man on earth can say what might happen to this Nation once that chain reaction is set in motion."

What Earl Harding has done in his new book is to trace the chain reaction of events concerning the Panama Canal since the idea of building it was first conceived. He has given us the facts. What is more, he has allowed them to speak for themselves. The result is a solid and well-documented work, which is indeed refreshing in these days of tiresome journalism based on an opinionated "the truth as I see it" kind of writing.

THE EARLY RECORD

Much of the early history of international political and financial intrigue surrounding the canal is shocking and scandalous, involving lobbyists, financiers, press agents, and political figures. Today it would be a mistake to let past misdeeds affect present judgment. Rather, a factual, unemotional review of the past should serve as a means toward better understanding of responsibility among Americans and Panamanians.

All that most of us know about Panama and the canal is that early in this century, after the French had failed in their attempt to build a canal across the Isthmus, the United States acquired a concession to build a canal and succeeded in doing so. What most of us do not know is that at the time the French started their effort, and up until they failed in it, Panama was a part of the Republic of Colombia. During this same period the United States was committed to building a canal through Nicaragua. The French, as failure became imminent, sought to salvage their huge investment and retained a New York lawyer, William Nelson Cromwell, to advise and assist them.

Cromwell's job was not a simple task; he was expected to divert the United States from the Nicaragua route to the Panama route, and thereafter to help the French sell their rights and equipment to the United States. Cromwell did the job and did it well. How he did it is explained in Earl Harding's "The Untold Story of Panama."

As soon as Congress had been induced to reverse its previous judgment by deciding on the Panama route, and had offered the French the sum of \$40 million, there arose a new and very difficult problem. The Republic of Colombia demanded a \$10 million fee from the French for the privilege of transferring their nontransferable concession rights. Immediately, a few Americans and a handful of Panamanians set wheels in motion to avoid paying this fee and solve other difficulties by creating an independent Panama Republic.

Mr. Harding sets forth the sequence of ensuing events: On November 2, 1903, U.S. Navy warships arrived at the Isthmus; next day, Panama declared herself to be a new

and independent nation; by November 7, the United States had extended formal recognition to the Republic of Panama; on November 18, the historic Hay-Bunau-Varilla Treaty was signed, granting the Canal Zone to the United States. The presence of the U.S. Navy assured the Panamanian rebels that Colombian troops would not take measures to put down the revolt.

Mr. Harding relates how a combination of circumstances—the political bragging of an administration in Washington that was "making the dirt fly," and the leakage of information about some of the back-room tactics applied in acquiring the zone, and the romantic aspects of the canal venture itself—kept the matter before the public and open to criticism and investigation for several years.

NO DOUBLE JEOPARDY

Finally, news leaked out that a speculative syndicate in the United States had bought up large blocks of French Canal securities and had sold them at tremendous profit when the canal became U.S. property. Some of the Nation's most distinguished political and financial figures were linked with the syndicate. Soon everyone was asking, "Who got the American taxpayers' \$40 million?"

When the Indianapolis News asked this question in an editorial and the New York World reprinted charges made against the syndicate, President Theodore Roosevelt denounced the conduct of Delavan Smith, of the News, Joseph Pulitzer, of the World, and others as "not merely scandalous but infamous." In a special message to Congress President Roosevelt said that these newspapermen had libeled the people and Government of the United States and should be prosecuted as criminals by means of extradition to Washington, D.C., and trial there in the Federal courts, not by trial in the State courts.

On October 15, 1909, in the District of Columbia, Federal Judge Albert B. Anderson handed down the following historic decision¹ which ended the extradition proceedings and rebuked President Roosevelt:

"To my mind, that man has read the history of our institutions to little purpose who does not look with grave apprehension upon the possibility of the success of a proceeding such as this. If the history of liberty means anything, this proceeding must fail.

"If the prosecuting authorities have the authority to select the tribunal, if there be more than one authority to select from; if the Government has that power and can drag citizens from distant States to the capital of the Nation, there to be tried, then as Judge Cooley says, this is a tragic result of a revolution where one of the grievances complained of was the assertion of the right to send parties abroad for trial. The defendants will be discharged."

At the time of these court proceedings, Earl Harding was an editor in the Pulitzer organization, and was assigned to the investigation of events leading to creation of the Republic of Panama. Among all the newspaper editors and lawyers who took active part in the legal struggle over the libel action, Mr. Harding is now the sole survivor. Many of his original findings are disclosed for the first time in "The Untold Story of Panama."

THE RECORD TODAY

In the later chapters of the book, Mr. Harding discusses in depth the dual or overlapping sovereignty in the Canal Zone, showing how it has bred much needless misunderstanding and friction. He points out

¹ EDITOR'S NOTE.—This decision is especially interesting today, because of the present Supreme Court's much criticized recent double-jeopardy decision.

that the United States has little by little relinquished its priceless treaty rights to build defense bases outside the zone. In a most interesting and factual way, he exposes the present-day plot to internationalize the Panama Canal.

In a chapter headed "Just Who Are Backing the Drives to Internationalize, and to Nationalize," Mr. Harding writes:

"Agitation for internationalization of the Panama Canal is not a new, although a little known, story. As far back as 1946, Red lanterns lighted its beginning. The Suez crisis, after a lapse of 10 years, threw new light on that spectrum.

"Twenty days after the Suez seizure, Ralph E. Flanders, then a Republican U.S. Senator of Vermont, stated publicly in Victoria, British Columbia, on August 1, 1956, that internationalization of the Panama Canal could ease the Egyptian crisis.

"Again on September 9, at Swarthmore, Pa., addressing the Society for Social Responsibility in Science, Senator Flanders, as reported in the New York Times of September 10, 1956, said internationalization of the Panama Canal would give Nasser a 'face-saving precedent' for agreeing to internationalization of Suez."

In sharp contrast to those who, like Senator Flanders, are trying to justify a giveaway of the Panama Canal, Representative DANIEL J. FLOOD, of Wilkes-Barre, Pa., has consistently warned Americans of the dangers they face in Panama. Part of what he has to say on the subject is quoted as follows in "The Untold Story of Panama":

"Agitation about the Panama Canal has been insidious and thus obscured to the public view, but now it is in the open. Conforming to the objectives of the Communist conspiracy to place the United States on the defensive, it is aimed at the Panama Canal for the purpose of wresting its ownership from the United States. Thus the situation created by this propaganda is fraught with diplomatic danger and uncertainty to which the United States must be alert."

Earl Harding devotes the final chapter of his book to study of the basic facts concerning construction of a canal via Nicaragua and Costa Rica. Some of the best reasons for such an alternative venture were set forth 2 years ago in the Los Angeles Examiner:

"There has always been good and compelling reasons why a second intercoastal waterway should be built across Nicaragua. * * * A newer problem, which may be more serious in the future than it is now, is that presented by the opportunists in Panama who are taking advantage of the controversy over the Suez Canal to propose nationalization of the Panama waterway. * * *

"Before spending billions to improve the Panama Canal, and still have an inadequate and obsolete waterway on our hands and still face the possibility of a nationalization campaign by unfriendly elements in Panama, a new and long look should be taken once more at the too-long delayed Nicaraguan project."

THE FUTURE

"The Untold Story of Panama," by Earl Harding, is at once a warning and a plea. It is a warning to Americans to wake up to the danger we face in Panama; it is a plea to reasonable and well-intentioned Panamanians to review their own national history, bearing in mind the friendship and help of the United States in the creation of the Republic of Panama.

"Without knowledge of that history," writes Mr. Harding, "neither North Americans nor Panamanians can reach sound and just conclusions as to their rights, responsibilities and obligations when the recurring problems of the Isthmian area demand solution."

As to the future, Mr. Harding concludes, "Successive failure of routine administra-

tive officials in planning acceptable solutions for modernization of the Panama Canal and for protection of U.S. interests in the Isthmian area have been repeatedly criticized by committees of Congress. Adoption of businesslike methods, urged by the Comptroller General of the United States and the Director of the Budget, has been a forward step.

"Finally, congressional leaders, cognizant of the hazards and failures, secured authority, in House resolution 149, adopted February 27, 1957, for a comprehensive inquiry into all aspects of the interoceanic canal problem. Out of this inquiry, by the board of consultants, now only partially completed, U.S. taxpayers hope for a constructive reassessment of Isthmian Canal problems, and a program for their permanent solution which an informed Congress can approve and authorize."

(This Spotlight throws light on a most important question on which Congress and the Nation must now act. The loss or weakening of our complete control of Panama would be a disaster to national defense. Should a second interoceanic waterway be built across Nicaragua is a question that must be investigated at once. Naturally, Communists are seeking out the weak spots in American defenses, inciting revolution if they can. What we need is men with backbone to assert and uphold American rights. Those weak-kneed leaders who yield to the idea of internationalizing the Panama Canal are rendering a disservice to the Nation. The Comptroller General of the United States and the Director of the Budget have urged that House Resolution 149 of February 27, 1957, for a comprehensive inquiry into all aspects of the interoceanic canal problem be passed. This board of inquiry should present a program for a permanent solution upon which Congress can act.)

STATEMENT OF HON. WRIGHT PATMAN, OF TEXAS, BEFORE THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, ON PROPOSALS TO RAISE THE FEDERAL DEBT LIMIT AND REPEAL THE INTEREST RATE CEILING ON TREASURY BONDS

Mr. PATMAN. Mr. Speaker, I am inserting herewith my statement before the Ways and Means Committee today. It is as follows:

Mr. Chairman, it is good of the committee to hear me. I am opposed to increasing the legal debt limit. I am also opposed to repealing, or even raising, the interest rate ceiling which was enacted during Woodrow Wilson's administration, in 1918. I am opposed to increasing interest rates on the series E and H bonds unless, of course, other rates are raised.

THE GOVERNMENT IS NOW HOLDING \$25 BILLION OF ITS OWN DEBT OBLIGATIONS, AT LEAST \$15 BILLION OF WHICH CAN AND SHOULD BE CANCELED

As to the proposal to raise the debt ceiling, it is unnecessary for this reason: The Federal Government is now holding \$25 billion of its own interest-bearing debt obligations. At least \$15 billion of these obligations can and should be canceled immediately so as to reduce the present debt by that amount.

The fact is, as you may know, Congress is now considering a bill which will give away to the private banks about \$15 billion of these securities, which will be the biggest giveaway in all history. This legislation, the so-called vault-cash bill, was recommended by the administration and by the Federal Reserve Board. It has already

passed the Senate; it has been approved by the House Committee on Banking and Currency and by the Rules Committee of the House; and we may expect the House will pass it within the next few days.

The \$25 billion of interest-bearing obligations that I refer to are held by the Federal Reserve System. They have been purchased in the open market and paid for with Government funds. They are owned by the Government and not by the private banks. The private banks have no claim to them whatever. In purchasing these securities the Federal Reserve System has not used any reserves deposited by the private banks, or any other funds of the private banks. These statements of mine about the ownership of the \$25 billion of obligations are not in dispute. They have been agreed to many times by all authorities, including the present Chairman of the Federal Reserve Board and the past Chairmen of the Federal Reserve Board.

Now as to the question of what amount of these securities the vault-cash bill will give away, this is in dispute. The bill gives the Federal Reserve System authority to reduce bank reserves by about \$12 billion immediately, which authority could be used only by either (a) setting off the biggest inflation in history, or (b) transferring ownership of an equal amount of the Fed's securities, without cost to the banks. Some of my colleagues on the Committee on Banking and Currency would no doubt tell you, however, that they are unaware of anything in the legislative history of this bill which indicates the Federal Reserve will use this authority for either of the two purposes for which it could be used. I think the legislative history is clear and unmistakable, but I will not impose on this committee a question which is in dispute. I simply call the committee's attention to the fact that the Federal Reserve Board has reported to Congress that its present holdings of \$25 billion of bonds and other interest-bearing obligations of the United States are a great deal more than the needs for all purposes and all possible contingencies.

Consequently, there is no reason why \$15 billion of these obligations should not be canceled immediately, and thus remove any need for increasing the debt ceiling. I might add, also, that if \$15 billion of these securities are canceled, this will remove any possibility that this amount of securities will be given away. If these securities are given away, the Government will have to pay for them again, when they become due; and in the meantime the Government will have to pay interest on the securities, which interest will go into bank profits. At the present time the interest on these securities is paid back into the Federal Treasury. The Federal Reserve System meets its operating expenses out of these interest payments, sets aside some money in a so-called surplus fund, and returns the balance to the Treasury.

NO DISPUTE ABOUT THIS POINT

There is an added point about which there is also no dispute. The \$25 billion of Government securities which the Federal Reserve System is holding have, in the last analysis, been paid for by the issuance of non-interest-bearing obligations, namely, Federal Reserve notes. Federal Reserve notes are, of course, currency in the pockets of individuals and in the cash registers of business firms. They are obligations of the United States, as is plainly stated on the face of them. They are signed by the Secretary of the Treasury, not by the Chairman of the Board of Governors of the Federal Reserve System. They are obligations of the United States, but they are not obligations which are subject to the legal debt limit. They are not expected to be redeemed. They will remain in circulation for the convenience of business and consumers in carrying on trade and commerce.

FEDERAL RESERVE SAYS EARNING ASSETS SHOULD GO TO COMMERCIAL BANKS

Now, let me read from a report which the Board of Governors of the Federal Reserve System submitted to the Committees on Banking and Currency of the Senate and House with reference to the vault-cash bill. This is the Board's position as of April 7, 1959, with reference to the amount of its \$25 billion of interest-bearing securities which it feels it needs to keep:

"To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks. The present system portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.

"Any decrease in requirements, however, should leave the Federal Reserve with a portfolio adequate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs."

May I suggest an estimate of the amount which the Federal Reserve would need to keep in its portfolio for the purposes which it has specified? Six billion dollars of securities would provide the Federal Reserve System with an income sufficient to meet expenses. In 1957, which is the latest year for which we have a report, the Fed's interest income on its holdings of Government securities amounted to 3.15 percent. Six billion dollars, yielding an annual interest income of 3.15 percent, would give the Fed an income of \$189 million. Its expenses in 1957 came to \$169 million, including amounts set aside for various reserves, for its retirement systems, and including some very "plush" luxuries.

As to the amount of securities which the Fed would need to hold, to sell at a later time to meet the contingencies which it has mentioned, actually it does not need any amount. These contingencies could be met by raising reserve requirements. One contingency is a possible large gold inflow from abroad, which would increase bank reserves and which would be inflationary unless offset by Federal Reserve action. The other possible event is a decline in the public's preference for currency, as opposed to bank deposits, in which case bank reserves would also be increased. In either case, the Fed would no doubt prefer, however, to meet such contingencies by selling securities from its portfolio rather than by raising required reserves of the member banks. The experience record of the past 40 years would indicate that \$2 billion would cover both of these contingencies. In other words, an \$8 billion portfolio of Government securities would be more than adequate to give the Fed a luxurious expense income and leave it in a comfortable position to meet the contingencies it envisions and in the manner in which it would prefer to meet them. But to be extra generous, so there could be no possibility of objection, I have proposed leaving the Fed with a portfolio of \$10 billion of Government securities and canceling immediately \$15 billion. This will make the proposed increase in the debt ceiling completely unnecessary.

Now, if the committee should wish to cancel any other amounts of unnecessary debt, there are two other suggestions it might consider.

ONE BILLION DOLLARS OF FEDERAL RESERVE BANKS SURPLUS SHOULD GO TO U.S. TREASURY NOW

First, the Federal Reserve System is holding approximately \$1 billion in a so-called surplus fund, for which no conceivable need could ever arise. If this \$1 billion were paid promptly into the Treasury, the present Federal debt could be reduced by that amount.

Second, it is really not necessary, and I cannot imagine by what reasoning it is appropriate, for the Federal Reserve System to hold interest-bearing obligations of the United States for the purposes of having an interest income to meet its expenses. The \$6 billion of debt which I have suggested leaving with the Fed for this purpose should be canceled, and the Federal Reserve Board should come to Congress for annual appropriations, just as other Government agencies do. This would reduce the present debt by another \$6 billion.

AMENDMENT TO CANCEL \$15 BILLION IN BONDS

When the vault-cash bill comes to the floor of the House for debate, I expect to offer an amendment to the bill which will require the Federal Reserve Board to turn over to the Treasury immediately \$15 billion of the securities it is holding for cancellation. If the Congress and the President accept this amendment, the administration's proposal to increase the Federal debt by \$12 billion will be completely unnecessary.

REMOVING THE 1918 CEILING ON INTEREST RATES IS UNWISE AND UNWARRANTED

I come now to the administration's chronic problem—interest rates.

Like most people today, I accept and believe in the collective bargaining processes. Furthermore, there is no question that when the bankers and moneylenders want a wage increase, they must come to the Government to get it. There is no place else to go. In this I am assuming, of course, that the Federal Reserve System is still in reality a part of the Government. It is true that it has, under this administration, assumed the posture of a fourth non-elected branch of the Government, exercising powers to overrule or reverse economic policies decided upon by Congress and the President through constitutional lawmaking processes. Furthermore, the President has repeatedly ratified this posture so that we would seem to have a super-bankers government sitting over and above the constitutional government. It is hardly reasonable to assume, however, that the President would agree to this independent-government position of the Federal Reserve System if there were any serious policy differences between the administration and the Federal Reserve.

SECRETARY ANDERSON'S ARGUMENTS

We should be fair and open-minded on the question whether there is really any need to give the bankers and moneylenders a larger share of the national income. We should expect, however, that some reasonable argument would be advanced for such a proposal. There is no claim, however, that the moneylenders are entitled to a cost-of-living increase, that their productivity has increased, or that there is a hardship which should be met. Rather the arguments which Secretary Anderson made to the committee yesterday are these:

1. The Federal debt is now at an all-time high, having reached \$1,600 for each man, woman, and child in the country.

2. The demand for savings has increased and the Federal Government cannot compete with the demands of State and local governments, private industry, or the stock market; in fact, cannot even compete with itself.

3. The main problem is that interest rates have been pushed up by a growing belief that there will be inflation, an inflation which Secretary Anderson says has not materialized and a belief which he says is mistaken.

4. Monetary policy is an all-controlling factor in times of recession and becomes what is called one of aggressive ease. But at times when interest rates are being raised, all the Government instruments of monetary policy disappear into the thin air of flexibility and interest rates are made by something called a free play of market forces.

5. We have demonstrated the ability of a free economy to come out of an economic recession and the high interest rates have been caused by the \$13 billion deficit, which it is suggested to be a product of Congress' fiscal irresponsibility.

6. The same old saw that this administration inherited a short-term Federal debt and wants to lengthen the maturity of the debt.

And finally, Democratic administrations financed the tremendous debt of World War II, while holding the bond rate at 2½ percent, and the consequences were horrible.

Let us give a little examination to these arguments. First, the Federal debt is at an all-time high, and it does average \$1,600 for each man, woman, and child in the country. But in past years it has averaged a great deal more when the country was presumably less rich, and when interest rates were a great deal lower. In 1946, the debt was \$1,908 per capita, and in 1950 it was \$1,650 per capita. In 1954, it was \$1,670 per capita, and in 1956 it was \$1,622 per capita. In all of these years interest rates were lower than now, so we can hardly blame interest rates on the high per capita debt.

Let us come now to this question of the total demand for savings. If we add up the figures on pages 139 and 157 of the President's Economic Report for 1959, we can see what the total demand for savings have been in the years 1951 through 1958. This includes total private demand, demand of State and local governments, the Federal surplus or deficit, and the net export of capital abroad. We find that the total demand for savings amount to 15.3 percent of the national income in 1951, and 15.4 percent in 1952. In none of the subsequent years has it been as high. It has ranged from 15.2 percent in 1953 down to 14.5 percent in 1958. Why then the increase in interest rates? Let us make some comparisons. In 1953, total demand for savings was a smaller percentage of the gross national product than in either 1951 or 1952. But the rate on 91-day Treasury bills was raised by 25 percent, from 1951. The yield on long-term Government bonds was raised by 14 percent, and the rate on prime commercial paper was raised by 17 percent.

Then, of course, in 1957, we had what the Federal Reserve Board thought was a runaway investment boom. The demand for savings in that year was 15.2 percent of the gross national product. And compared to 1951, interest rates on 91-day Treasury bills were raised by 111 percent. Interest yields on long-term Governments was raised by 27 percent, and the rate on prime commercial paper was raised by 76 percent.

In this span of years, the gross national product was going up, the country was becoming more affluent, and we would normally expect that a larger percentage of the national income would go into savings, since people presumably had more money left over after meeting the cost of food, clothing, and shelter.

Let me make one other point. Since 1951, there have been years of low interest rates, medium interest rates, and extortionate interest rates. But the evidence is that neither the high nor the extortionate interest rates cause people to save any larger percentage of their income. On the contrary, people saved the highest percentage of their disposable personal incomes in 1951, 1952, and 1953, when the interest yields on long-term Governments ranged between 2.57 and 2.9 percent. In 1956 and 1957, interest yields on long-term Governments were 3.08 and 3.47 percent, respectively, yet people saved only

¹ U.S. Congress, House of Representatives, Subcommittee No. 2, Committee on Banking and Currency, hearings, "Member Bank Reserve Requirements," 86th Cong., 1st sess. (1959), p. 28.

7.2 and 6.8 percent of their disposable personal incomes in those years.

Now this I admit—the administration does have quite a problem with this belief that inflation is coming and that anyone who puts his savings into fixed-return securities will be repaid with cheap dollars. This has been the subject of one of the greatest propaganda crusades of all times. "Inflation" has been made a household word in every home in the land. Over the past year, particularly, the President has taken to television and to numerous press conferences to carry on a tremendous word battle against the coming inflation which seemed clearly visible to him. The National Advertising Council has cooperated.

Substantially all the big-business firms that profit from high interest rates or from a rising stock market have cooperated—with newspaper ads, and so on. Altogether, \$4 billion of new money was poured into the stock market last year, and stock prices were driven up by 25 times that amount, or an increase of 40 percent, within 12 months. The big-money boys on Wall Street have made millions and paid taxes at capital gains rates, and the banks and moneylenders have enjoyed a fat increase in interest rates.

My suggestion for the cure of Secretary Anderson's problem is not to come to Congress to ratify what he calls a mistaken belief in inflation, but to go back to the opinionmakers in his own administration and have them correct the belief which he thinks to be erroneous.

Now on this matter of the Government's monetary policy, I don't believe it is quite fair of the Secretary to try to have it both ways, that monetary policy makes low interest rates to help the people in time of recession, but that monetary policy disappears when interest rates are being raised. The fact of the matter is that somebody in the Government decides every day, and every hour of the day, what the money supply will be and what interest rates will be. We are back into a period of tight money and high interest.

A few years ago there was no such timidity about admitting tight money and high interest policies. They were boasted about and were presented to the public as being a cure-all for all of our problems. In 1955, the money managers instituted tight money and high interest to fight what they thought was a boom in consumer installment purchases. In 1956 and 1957, the money managers squeezed money and raised interest for the purpose of dampening what they thought was a runaway investment boom. They finally choked off the investment boom and brought on a recession. Then they sat back and counseled that we all wait for adjustments to take place in the market, saying they were hopeful that the level of investments would soon increase again and everything would be all right.

Three things pulled us out of the recession: (1) The raising of the debt limit which permitted an increase in defense spending; (2) the retroactive pay increase for Federal employees; and (3) the unusually large farm crops.

Now the Secretary of the Treasury comes forward and says that the reason for the high interest rate is the \$13 billion deficit, and the fact of the matter is the deficit came about in the first place because of the recession brought on by the high interest, tight-money policies.

When the administration first embarked on a program to raise interest rates, with its first issue in February 1953, it said then that its purpose was to lengthen the maturity of the debt. That has been said repeatedly since, and it has also been said repeatedly that this administration inherited a debt of short maturity.

The fact is that on December 31, 1952, 70 percent of the debt was in bonds and non-marketable securities, and it hasn't been as

high since, nor has the average maturity of the debt been raised. On June 30, 1952, the marketable debt had an average maturity of 5 years and 8 months. By mid-1953, it had an average maturity of 5 years and 4 months. By mid-1954, it had an average maturity of 5 years and 6 months. By January of this year, it was down to 4 years and 9 months.

It seems to me that after 7 years of hearing about raising interest rates so as to lengthen the maturity of the debt, everybody would be weary of it. We have now had some clear demonstrations on the way to manage the Federal debt and on the way not to manage it.

We financed the unprecedented burden of World War II without having the bond rate go above 2½ percent, and we had the least inflation that any country has ever had as the result of any major war. Maintaining low interest left the Treasury in a good position to make substantial reductions in the national debt after the war. Between 1945 and 1950 the debt, including guaranteed issues, was decreased by \$22 billion. Furthermore, the Government was in a good position to make savings in other ways. In 1948, bank profits were high, so the Federal Reserve Board increased its contribution to the money supply and decreased the private banks' contribution, thus acquiring \$2 billion of the debt so that the interest payments went back into the Treasury. Interest rates on the obligations were not high then, so the bankers didn't object too much. Today, of course, just the reverse is true. The interest rates are high, and the bankers are demanding a transfer of the Federal Reserve securities over to them.

In contrast, we have seen two disastrous consequences of trying to impose high interest and tight money on the country. Certainly by now everyone should know that these policies will not work.

Now, as to the proposal to raise the interest rates on the series E and H bonds, we have been playing this kind of ring-around-the-rosy for a long time, raising one rate to make it competitive with the others, and at the same time raising the others. This is a fruitless exercise. I am opposed to raising any of them.

May I close with an example we may take from the business firms of the country. In 1956 and 1957, many of the big corporations believed that the high interest rates that had been imposed then could not be sustained. Consequently, instead of going to the bond market for long-term financing at high interest rates, they went to the commercial banks and got temporary short-term financing. Then, in 1958, when there was a change in policy, and interest rates were brought down, the corporations paid off their bank loans and went to the bond market for long-term contracts.

There is no limit to the rate which the Treasury can pay for short-term obligations. I would suggest that in this period of high interest rates, the Government not be committed to any long-term contracts. There could be, in the next administration, another change in policy to low interest rates.

The following tables are self-explanatory:

TABLE 1.—Gross Federal debt¹ per capita,² 1939–58

June 30:	
1939	\$350.63
1940	367.08
1941	414.85
1942	571.02
1943	1,029.82
1944	1,464.17
1945	1,851.70
1946	1,908.79
1947	1,792.67

¹ Includes obligations guaranteed by the U.S. Government.

² Based on Bureau of the Census estimated population for continental United States.

TABLE 1.—Gross Federal debt per capita, 1939–58—Continued

June 30:	
1948	\$1,721.21
1949	1,694.93
1950	1,696.81
1951	1,653.61
1952	1,650.35
1953	1,667.06
1954	1,670.64
1955	1,660.42
1956	1,622.28
1957	1,580.54
1958	^a 1,588.18

^a Subject to revision.

Source: Annual Report of the Secretary of the Treasury, 1958.

TABLE 2.—Demand for private savings as related to gross national product, 1951–58
(Dollar amounts in billions)

Year	Gross national product	Gross private domestic and net foreign investment	Government surplus or deficit (Federal, State, and local)	Demand for private savings	Demand for private savings as related to gross national product (percent)
1951	\$329.0	\$56.6	\$6.1	\$50.5	15.3
1952	347.0	49.7	-3.9	53.6	15.4
1953	365.4	48.3	-7.1	55.4	15.2
1954	363.1	48.5	-6.7	55.2	15.2
1955	397.5	63.4	2.9	60.5	15.2
1956	419.2	69.6	6.3	63.3	15.1
1957	440.3	68.8	1.7	67.1	15.2
1958	437.7	53.6	-10.0	63.6	14.5

Source: Computed from data in Economic Report of the President, 1959, pp. 139, 157.

TABLE 3.—Rate of personal savings compared with interest rates, 1951–58

Year	Disposable personal income (billions)	Personal savings as related to disposable personal income (percent)	Average interest rates per year		
			Yield on 3-month Treasury bills (percent)	Yield on taxable U.S. Government bonds (long term) (percent) ¹	Prime commercial paper, 4 to 6 months ²
1951	\$227.5	7.8	1.55	2.57	2.16
1952	238.7	7.9	1.77	2.68	2.33
1953	252.5	7.9	1.93	2.94	2.52
1954	256.9	7.3	.95	2.55	1.58
1955	274.4	6.4	1.75	2.84	2.18
1956	290.5	7.2	2.66	3.08	3.31
1957	305.1	6.8	3.27	3.47	3.81
1958	311.6	6.7	1.84	3.43	2.46
June 5, 1959			3.18	4.11	3.38

¹ Series includes: 1951 through March 1952, bonds due or callable after 15 years; April 1952–March 1953, after 12 years; April 1953 to date, 10 years and after.

² Averages of daily prevailing rates.

Sources: U.S. Department of Commerce and Federal Reserve Bulletins.

TABLE 4.—Changes in interest rates compared with changes in rate of personal savings

Year	Percent change from previous year		
	Interest yield on 91-day Treasury bills	Interest yield on long-term Government bonds	Rate of personal savings
1952	+14	+4	+1
1953	+9	+10	0
1954	-51	-13	-8
1955	+84	+11	-12
1956	+52	+8	+12
1957	+23	+13	-6
1958	-44	-12	-6

TABLE 5.—Average maturity of marketable interest-bearing public debt

Year as of June 30:	Average length
1951.....	6 years, 7 months
1952.....	5 years, 8 months
1953.....	5 years, 4 months
1954.....	5 years, 6 months
1955.....	5 years, 10 months
1956.....	5 years, 4 months
1957.....	4 years, 9 months
1958.....	5 years, 3 months
1959—January.....	4 years, 9 months

Source: Treasury Bulletin, March 1959, p. 21.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COHELAN, from June 12, 1959, to June 23, 1959, on account of official business, U.S. delegate to International Civil Aeronautics Organization.

Mr. MCGINLEY, for balance of week, 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. DENT, for 30 minutes, tomorrow.
Mrs. ROGERS of Massachusetts, for 10 minutes, on Monday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. POAGE and to include extraneous matter.

Mr. ALBERT, his remarks today on the wheat bill and to include extraneous matter.

Mr. BENTLEY, to revise and extend his remarks and include extraneous matter in connection with his remarks made in Committee of the Whole today on H.R. 7246.

Mr. SCHENCK and to include an address by Postmaster Summerfield on the occasion of the sesquicentennial anniversary of Miami University.

Mr. BELCHER, to revise and extend his remarks made in Committee of the Whole today on H.R. 7246 and to include extraneous matter.

Mr. HOEVEN, to revise and extend remarks made by him in Committee of the Whole today on H.R. 7246 and to include extraneous matter.

Mr. THOMSON of Wyoming, to revise and extend the remarks he made in the Committee of the Whole and include extraneous matter.

Mr. REES of Kansas in two instances and to include extraneous matter.

Mr. Bow.

(At the request of Mr. COLLIER, and to include extraneous matter, the following:)

Mr. CHAMBERLAIN in six instances.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. HERLONG.

Mr. ZELENSKO.

Mr. RUTHERFORD.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Friday, June 12, 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:

1088. A letter from the Attorney General, transmitting the report of the Attorney General on the administration of the Subversive Activities Control Act of 1950 for the year ending May 1959; to the Committee on Un-American Activities.

1089. A letter from the Secretary of Defense, transmitting the Annual Report of the American National Red Cross for 1958, together with the "Combined Statement of Income and Expenditures of the National Organization for the Year Ending June 30, 1958," pursuant to the act of July 17, 1953 (67 Stat. 173); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. H.R. 5515. A bill to amend the 1956 act authorizing the disposal of certain obsolete locks and dams on the Big Sandy River, Ky.-W. Va., for the purpose of increasing the authorization relating to dam No. 3 on the Big Sandy River, Ky.; without amendment (Rept. No. 536). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 7650. A bill to modify the pension programs for veterans of World War I, World War II, and the Korean conflict, and their widows and children; without amendment (Rept. No. 537). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 1. An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes (Rept. No. 538). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of California: Committee on the Judiciary. H.R. 4243. A bill for the relief of Theodore Ore; with amendment (Rept. No. 530). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 282. Resolution providing for sending the bill H.R. 3958, with accompanying papers, to the U.S. Court of Claims; without amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5350. A bill for the relief of Mary W. Greene; without amendment

(Rept. No. 532). Referred to the Committee of the Whole House.

Mr. HENDERSON: Committee on the Judiciary. H.R. 3094. A bill for the relief of Oakley O. Warren; with amendment (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7038. A bill for the relief of the estate of Oshiro Shoko; without amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2107. A bill for the relief of Michael D. Owens; without amendment (Rept. No. 535). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7671. A bill to equalize the taxation of insurance companies (other than life insurance companies) and to provide revenue; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 7672. A bill to equalize the taxation of insurance companies (other than life insurance companies) and to provide revenue; to the Committee on Ways and Means.

By Mr. BENTLEY:

H.R. 7673. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts paid by the United States to certain nonresident alien employees or their beneficiaries; to the Committee on Ways and Means.

By Mr. BRAY:

H.R. 7674. A bill to amend the act of June 4, 1954, to remove certain conditions to the conveyance of certain real property of the United States to the State of Indiana; to the Committee on Government Operations.

By Mr. GEORGE:

H.R. 7675. A bill to amend the Internal Revenue Code of 1954 with respect to the size requirements which a corporation must meet in order to qualify to make the special election as to taxable status which is permitted small business corporations, and to permit a corporation to make such election annually at the close of its taxable year; to the Committee on Ways and Means.

By Mr. JONES of Missouri:

H.R. 7676. A bill to amend the act of January 12, 1895, to regulate and restrict the printing of certain extraneous matter in the CONGRESSIONAL RECORD, and to limit the number of insertions of extraneous matter in the Appendix of the CONGRESSIONAL RECORD; to the Committee on House Administration.

By Mr. LINDSAY:

H.R. 7677. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. MOSS:

H.R. 7678. A bill to facilitate the transmission of electric power by the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 7679. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 7680. A bill to provide for certain obligations of officers and agents of labor organizations and of employer organizations, employers and labor relations consultants; and providing for a study of management-labor problems generally; to the Committee on Education and Labor.

By Mr. SMITH of Iowa:

H.R. 7681. A bill to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments; to the Committee on Government Operations.

By Mr. BLATNIK:

H.R. 7682. A bill to create a Public Works Coordinator to promote long-range planning and coordination of public works, and for other purposes; to the Committee on Public Works.

By Mr. BROYHILL:

H.R. 7683. A bill to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; to the Committee on the District of Columbia.

By Mr. GREEN of Pennsylvania:

H.R. 7684. A bill to provide for the temporary suspension of duties on certain types of limestone; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 7685. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 7686. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. TEAGUE of California:

H.R. 7687. A bill to amend the act of January 12, 1895, to regulate and restrict the printing of certain extraneous matter in the CONGRESSIONAL RECORD, and to limit the number of insertions of extraneous matter in the Appendix to the CONGRESSIONAL RECORD; to the Committee on House Administration.

By Mr. TOLL:

H.R. 7688. 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. DULSKI:

H.R. 7689. A bill to make an appropriation for the extension and remodeling of the

U.S. courthouse at Buffalo, N.Y.; to the Committee on Appropriations.

By Mr. KING of Utah:

H.R. 7690. A bill to amend the act of September 2, 1958, relating to the exchange of lands between the United States and the Navajo Tribe, to clarify the intent of Congress with respect to certain excepted rights; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H.R. 7691. A bill to amend the Small Business Investment Act of 1958 and for other purposes; to the Committee on Banking and Currency.

By Mr. ROBISON:

H.R. 7692. A bill to repeal the laws imposing Federal control on agriculture; to the Committee on Agriculture.

By Mr. HARMON:

H.R. 7693. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on toilet preparations; to the Committee on Ways and Means.

By Mr. CLEM MILLER:

H.J. Res. 427. Joint resolution directing the Secretary of Agriculture to carry out a poultry diversion program; to the Committee on Agriculture.

By Mr. RHODES of Arizona:

H.J. Res. 428. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. DORN of New York:

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress with respect to the nonparticipation of representatives of the United States in the Olympic games; to the Committee on Foreign Affairs.

By Mr. SMITH of Iowa:

H. Res. 295. Resolution to disapprove Reorganization Plan No. 1 of 1959; to the Committee on Government Operations.

dent and the Congress of the United States relative to requesting favorable action on Senate bill 910; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMHART:

H.R. 7694. A bill for the relief of Robert H. Point; to the Committee on the Judiciary.

By Mr. BLATNIK:

H.R. 7695. A bill for the relief of Milka Jurisich; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 7696. A bill for the relief of Emma Grund; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 7697. A bill for the relief of Gaetano Talento, Elisa Talento, Gennaro Talento, Aniello Talento, and Adriana Talento; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 7698. A bill for the relief of Amelia Reyes; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 7699. A bill for the relief of Giovanna Massagli; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.J. Res. 429. Joint resolution to authorize the issuance of a gold medal in honor of the late Prof. Robert H. Goddard; to the Committee on Banking and Currency.

By Mr. LANE:

H. Res. 296. Resolution providing for sending the bill H.R. 1717, with accompanying papers, to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

216. Mr. HERLONG presented a petition of the Board of County Commissioners in and for Seminole County and 417 members of the Junior Chamber of Commerce in Seminole and Orange Counties, Fla., petitioning consideration of their resolution with reference to supporting the aim of the U.S. Junior Chamber of Commerce and the Sanford-Seminole County Junior Chamber of Commerce bringing about a much needed tax reform in the operation of the U.S. Government, which was referred 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 Louisiana, memorializing the President and the Congress of the United States to support the efforts of Senator NEUBERGER to increase Federal funds for cancer research; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Maryland, memorializing the Presi-

EXTENSIONS OF REMARKS

"Clean Mail" Campaign by Congress Moves Forward

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. REES of Kansas. Mr. Speaker, the growing problem of obscenity sent through the mails is most timely. At no time in our history has there been more urgent need for strong and informed leadership by the Congress of the United States in our efforts to curtail dissemination of filth and smut that should not even be printed, much less transported through the U.S. mails largely at public expense.

I have devoted a large part of my time and attention to the problem of illegal use of the mails during my entire tenure as either chairman or ranking minority member of the Post Office and Civil Service Committee since it was created in 1947. Based on my personal studies in the 80th Congress, I introduced legislation in the 81st Congress to close gaps in the laws which require the Postmaster General to exclude obscenity and pornography from the mails. As the ranking minority member of the Select Committee on Current Pornographic Materials in the 82d Congress, I took a very active part in the development of evidence showing that the selling of vile literature, pictures, and other unfit materials is big business. I cosponsored legislation which became law in the 84th Congress, authorizing the Postmaster General to impound incoming mail of

persons found to be sending this material through the mails.

The Congress supplemented this impounding authority by enactment of a stronger venue law, Public Law 85-796, authorizing prosecution at point of delivery of obscene matter, as well as at point of mailing. These two statutes represent major legislative steps to strengthen the hands of the Postmaster General and the Department of Justice in their efforts to prevent illegal use of the mails. Yet even these laws have not served fully to protect the public.

Our committee this year obtained approval of House Resolution 78, including authority to conduct further investigations of use of the U.S. mails for the distribution of salacious matter and other illegal articles. We have found that this revolting traffic has grown to unbelievable proportions.

This committee investigation has one purpose and one purpose only. That purpose is to protect the American public. The Postmaster General testified that the American people are being bilked of nearly a half billion dollars yearly through illegal mail order traffic in obscenity.

I do not mean to imply that the mails represent the only means for distribution of this vicious material. There are, of course, many other avenues but the postal service is the Government instrumentality involved. For this reason, the Postmaster General, almost since the inception of the postal service, have been charged with the duty of preventing use of the mails for illegal or immoral purposes. There is no provision of law which has been enforced to better purpose for all of our people than this legal duty.

When the Postmaster General finds that the mails are being used illegally, he may order mail addressed to the offender to be returned. This cuts off the fruits of the illegal venture. This system has developed into an exact but equitable science. During the past 50 years, out of the many thousands of unlawful orders issued, only five or six have been found in error.

No matter how carefully the laws are drafted, however, and however firm the legislative purpose, we often find that their administration may be quite another thing. Thus it is that, in our continuing committee studies, we find there is need of still further vigorous attack on the age-old problem of protecting the public against dealers in filth. I believe that two vital points for successful attack have been disclosed by our committee studies this year. The first relates to strengthening of the criminal laws. The second relates to public participation.

It is crystal clear to me that the incidence of criminal offenses in use of the mails for immoral purposes is directly related to the moral climate of the particular segment of the public concerned. For example, we find that the bulk of salacious matter moving through the mails originates in a certain few localized sections of the country. Certainly, it is no coincidence that prosecutions in these same localities have resulted in extraordinary light sentences even where a conviction is obtained. This condition bids fair to be corrected, to some extent at least, by the venue law I mentioned. Already, in one case, a court sitting in the jurisdiction where certain obscene matter was delivered through the mails has sentenced the offenders to 10 years' imprisonment. This is the kind of penalty that will make purveyors of filth think twice before starting their business. This sentence points up the absurdity of a recent slap-on-the-wrist penalty handed down by another court—sitting in a jurisdiction from which a great deal of obscene mail flows—which sentenced the offender to only 6 months' imprisonment for mailing matter described by the Postmaster General as "some of the vilest material ever coming to the attention of postal inspectors."

It seems to me, therefore, that we should strive for reasonable uniformity

in severity of sentences for criminal uses of the U.S. mails which are equally serious. Legislation to require heavier minimum penalties will have my support.

The second and perhaps most necessary point of attack on the dissemination of filth requires the concentrated and coordinated assistance and cooperation of State and local governments and of the public itself. We have received thousands of letters protesting advertising and solicitation for obscene mailings. These protests come from fathers, mothers, ministers, and priests, teachers, civic associations, and other public-interest organizations. These individuals and organizations are keenly aware of the seriousness of the problem and, I am sure, stand ready and willing to do all in their power. It may be that what they need most is a central point of guidance and leadership to make their efforts more effective. I believe that this guidance and leadership well could be provided by the Congress of the United States. I can assure you that our committee will explore thoroughly into this possibility. It may be that a voluntary, national campaign for decency is the answer.

How Sputniks Made America Rethink Education

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. HERLONG. Mr. Speaker, I should like to call your attention to a report which should have deep interest to every American concerned with educational issues. I refer to the content analysis of 82 consecutive issues of the Wall Street Journal prepared by the Center for Practical Politics, located at Rollins College in Winter Park, Fla. The title of this study is "How Sputniks Made America Rethink Education." The report has permanent interest, and I am sure that the center would be glad to provide copies of the whole text to any and all interested persons.

My reason for mentioning this report is that it illuminates a number of fine ideas, and, as Alfred P. Sloan, Jr., once said, one can sometimes substitute an idea for an expenditure. The surprise ascent of the sputniks, as we all know, created sustained anxiety throughout the American educational system. From studying the Center for Practical Politics report, however, I find the ironical conclusion that it is not so much money that is needed as that our leaders sit still and take time to think.

There has been no shortage of Monday morning quarterbacks in dealing with education, Mr. Speaker, but the analysis of this report to which I refer puts in order of rank the items discussed in the Wall Street Journal: solutions first, Federal aid second, and reasons for

our educational failure third. Now, Mr. Speaker, I suggest that this itself is representative of much of our thinking these days which puts the cart before the horse. Perhaps the right order is first, reasons, second, solutions, and third, Federal aid. Nevertheless, when it comes to solutions, the proposals, in order, were to first, revise the curriculum, second, increase administrative ingenuity, and third, experiment with new methods, using present talent and facilities more prudently. First, as might be expected in a financial publication such as the Wall Street Journal, the reasons for our educational distress were laid to excessive taxation.

The report points out that whatever one's position on Federal aid may be, two major approaches to the educational problem are: first, fresh educational thinking, and second, a serious study of taxation in relation to education. The report to which I refer points out that a tax deduction on all tuition fees paid to colleges would be like a new bill of rights for the parents, a point which is of particular interest to me, Mr. Speaker, because I have sponsored legislation with a similar purpose. Likewise, a revision of tax policy would encourage the student working his way through college. It may not be necessary to bring money to Washington and then peddle it back to the States. This, at least, is an item raised by the center's report.

Mr. Speaker, I mention this subject because of its general interest and because I am proud of the contribution which the Rollins College Center for Practical Politics is making to the thinking of all good citizens and of sound public opinion.

Record of House and Senate Appropriations Committees

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. BOW. Mr. Speaker, there appears in the RECORD of June 9, 1959, the remarks of a distinguished Member of the other body which are critical of the House Appropriations Committee.

Mr. Speaker, I am proud of this House and of its Appropriations Committee, of which I am a member.

The critic of the House claims to be, and perhaps he is, a great advocate of economy in Government. I am sure that if the distinguished Member of the other body checks the record, he will find plenty of room for correction on his own side of the Capitol, before he goes so far afield as to attempt to police both Chambers.

Let us look at the record of economy between the two Houses:

First. For the entire 2d session of the 85th Congress, the appropriations bills as passed by the House totaled \$70,127,464,022; the same bills passed by the Senate totaled \$74,079,765,550; and the

conference settlement was \$72,653,476,-248.

Second. So far in the 86th Congress, only five bills have passed the Senate, with figures as follows:

	House	Senate
District of Columbia.....	\$27,218,000	\$29,351,000
Treasury-Post Office.....	4,628,097,000	4,664,027,000
Agriculture.....	3,939,165,498	3,975,774,848
Interior.....	472,198,000	487,211,025
2d supplemental, 1959.....	2,657,402,994	2,843,902,805

Third. At the same time, the Senate has initiated and passed bills tapping the Treasury through the back door so far this year as follows:

Airport Grants.....	\$465,000,000
Housing Act.....	2,675,000,000
Bretton Woods Agreement.....	4,550,000,000
Depressed Areas.....	300,000,000

It will take some doing to hide these billions under the new carpets, however thick they may be.

High School Commencement at West, Tex.

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. POAGE. Mr. Speaker, this is the season of the year when high school students are completing their work. It is generally known as commencement season. All over this land high school graduates are receiving their diplomas and are commencing their active contribution to the life of their communities.

On May 28, 1959, the graduates of West High School, at West, Tex., presented a typically American commencement program. This program was, in my opinion, worthy of consideration as being typical of our American way of life. It was, however, more than that. It included a splendid discussion of the subject "What Are America's 10 Greatest Contributions to Civilization?" Five of the students, Olivia Dvoracek, Linda Moseley, Bernard Lednicki, Ollie Helm, and Nell Ruth Kostohryz, presented papers. I wish it were possible to present all of these papers to the Congress but obviously there is no opportunity to include all of these documents. I do, however, want to pay tribute to their authors and to the 55 graduates, and to the high school staff headed by Mr. M. F. Kruse, superintendent; Dr. Albert L. Ford, principal of West High School; and Miss Olga Pazdral, assistant principal. The graduates were:

Jeanette Charlene Adamcik, Lillian Annie Bajer, Wesley Eugene Bankston, Doris Ann Bettge, Doris Jean Bohannon, Elmer Alfred Brem, Thomas Charles Brennan, Rose Marie Cepak, Lillie Marie Chudej, Barbara Doris Davidson, Albina Eleanor Dulak, Olivia June Dvoracek, Barbara Ann Gerik, Lawrence Ludvik Gerik, James Alton Grellhesl, Clara Nell Grier, John Larry Hardwick, Ollie Lee

Helm, Clarita Catherine Hennig, Barbara Jean Hessel, Betty Anne Hodde, James Raymond Holacka, Jeannette Josephine Hruska, Julius Joseph Hubik, Jerry Wendell Janek, George Charles Jezek, Roman Anton Kapczynski, James Clement Kolacek, Nell Ruth Kostohryz, Dorothy Kotrla Kucera, Bernard Louis Lednicki, Gordon Otto Leuschner, Kathryn Faye Macha, Betty Carol Mashek, Anita Myrl Melasky, Linda Ann Moseley, Marvin Gene Owens, Rex Bennett Padgett, Milton Nelson Peterson, Betty Jean Pinter, Albina M. Picacek, Dwain Roy Pomykal, Gary Eugene Popp, Jimmie Ray Powell, Millie Ann Pustejovsky, Virgil George Schuetz, Connie Mae Sealey, Barbara Jean Silaff, Edward Joe Soukup, Mildred Regina Soukup, Shirley Elaine Sutton, Henry F. Svrcek, Shirley Ann Webb, Charles Raymond Wedeking, Donald Wayne Wedeking.

I congratulate and greet each one of them and each one of the thousands of high school graduates throughout America. On them depends the future of this country.

The Vital Decisions We Face

EXTENSION OF REMARKS

OF

HON. PAUL F. SCHENCK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. SCHENCK. Mr. Speaker, Miami University and Oxford, Ohio, in my congressional district have been signally honored this year on the occasion of the 150th anniversary of the establishment of the university. You will recall that this House of Representatives and the Senate extended felicitations to Miami University in House Concurrent Resolution 185.

The Post Office Department has just issued a new regular 12-cent stamp honoring President Benjamin Harrison, who graduated from Miami University in 1852. The Honorable Arthur E. Summerfield, Postmaster General of the United States, spoke at Oxford on June 6, 1959, on the first day of issuance of this new stamp at Oxford.

Later that same day he addressed a convocation at Miami University and was awarded an honorary degree. It was a great pleasure and honor to have the Postmaster General in our Third District of Ohio, and I am happy to present the address he made on this occasion:

THE VITAL DECISIONS WE FACE

(Address by the Honorable Arthur E. Summerfield, Postmaster General of the United States, before the convocation of alumni marking the sesquicentennial year of Miami University, Oxford, Ohio, June 6, 1959)

The honor you have given me today is one I shall cherish all my life.

Like all who know Miami University, I deeply admire this institution which has blended liberal interests, intellectual breadth and conservative practices so well in its teachings.

I am happy to be here on the campus of this university where my able special assist-

ant, L. Rohe Walter, got his undergraduate training.

In its century and a half, Miami has played a profoundly important part in our incredible progress. Its original goals of good education, virtue, religion, and morality, so thoroughly tested by time, enjoy the blessing and respect of all Americans. Backed by a proud record of accomplishment, this university is dedicated to even greater growth and service in the years ahead.

The New Miami, since 1885, has given far more than its quota to the enlightened leadership of our Nation.

And certainly Old Miami made remarkable contributions to the public weal over the early years.

Of the 900 men who became Miami alumni during those years, 10 were to be Civil War generals, 7 U.S. Senators, 16 Congressmen, 8 State governors, 7 ministers to foreign governments, 4 college presidents, 4 newspaper editors—and 1 became President of the United States.

As you know, your Post Office has joined today in honoring that Miami alumnus who became our country's 23d President.

It has been my privilege to authorize a 12-cent regular postage stamp, featuring the likeness of Benjamin Harrison, which has been placed on first-day sale here in Oxford this morning. Next Monday this stamp will be available in all our 36,000 post offices throughout the Nation.

In paying tribute to Benjamin Harrison, we have been conscious of his place in history not only as a great President, but also as a devoted citizen. He was a man who clearly believed in pursuing a deep and active interest in his country's welfare.

As a lawyer and officeholder, he spoke out firmly on matters of concern to the people.

As a soldier, he served with distinction in the Civil War.

As U.S. Senator and as President, he took his stand on the issues of his time, and participated fully in bringing about the solutions he believed to be right.

That kind of participation—that belief in the importance of individual opinion which characterized Benjamin Harrison—is more essential today than ever before. It is essential for every one of us here—as for every American citizen.

We are faced with challenges of great and critical scope. We are faced with crucial decisions.

And, above all, we must remember that not Government alone, or any segment of our society, is responsible for making these decisions. It is rather all the people who must weigh our problems and determine our future.

I should like to discuss these basic problems with you briefly—and then, if I may, I should like to suggest the vital part you can and should play in meeting them.

I want to speak, not only as your Postmaster General, but as a member of President Eisenhower's Cabinet and a member of the President's Committee on Price Stability for Economic Growth.

There are three specific challenges that command our attention. They are:

1. The Communist threat to our national safety.
2. Our battle against inflation.
3. The urgent necessity for tax reform.

All of these, of course, are interrelated. Our national defense depends upon a strong economy—and our economy is acutely responsive to what we do about inflation, about production costs and prices, and about taxation.

The Communist challenge we face is military, political, spiritual, and economic.

We and our allies have steadfastly maintained our military and political strength. We have rebuffed the Communist threats and at every turn, we have given positive demonstrations of our determination to stand firm.

I have just returned from Europe, and I can tell you that the strength of purpose of our allies is equal to our own.

At the same time, we continue to explore every avenue for justly solving the issues that divide the world.

In the battle of spiritual values, we cannot lose so long as we preserve the freedom and moral strength on which our way of life is built.

We are facing up to the all-out economic war the Soviets have declared—but it is here that they are most confident.

They believe they can defeat us in this war without risking their own total destruction.

They acknowledge that we are well in front. But they intend to overtake and surpass us.

They believe we have not the system or the will to maintain our economic strength and growth. They expect our economy to explode, while theirs continues to grow.

My friends, I think we must agree that we dare not look lightly on their great expectations.

For here, indeed, is involved one of the great decisions we must take.

We are in the process of building a more powerful economy. But, ironically, the very soundness of this economy is threatened by deadly forces that have wrecked other strong nations in the past.

These are the forces of inflation and onerous taxation—and the truth is, we have not fully united, as a people, to overcome them.

I suggest to you that there is urgent reason for us to do so.

There is pressing reason for us to realize what inflation really is—and to act upon this knowledge.

I am sure we all agree on what inflation does for we have had ample opportunity to see it at work.

To most Americans, inflation means higher costs of living. It means more and more struggle to make ends meet as costs go up and the value of the dollar goes down.

Since 1939, our cost of living has more than doubled. The value of the 100-cent dollar of 1939 dropped by 47 cents over the next 15 years, and it has dropped by 5 cents more since 1952.

Inflation feeds on the income and the savings of every individual, every enterprise in America. It robs us of the real value of the dollars we earn. It destroys the will to work and the desire to save.

It makes education increasingly costly, at a time when America's colleges are facing the greatest demands ever placed upon them, and it causes the serious fiscal problems of our educational institutions to multiply.

Now, what are we doing to meet this deadly force? We are waging a battle, led by the President of the United States, which in the past year has succeeded in bringing the rise in the cost of living under control.

We are fighting for the stable dollar we must have to go forward soundly.

We have quickly surmounted the recession of last year and have resumed our economic growth at a record rate, with its expanding opportunity for every citizen.

But maintaining this sound and sensible progress is extremely difficult. We are faced with tremendous pressures for a resumption of the inflationary process.

These are vast pressures for extravagant Government spending, and for sharp new up-trends in the spiral of wages and prices.

The spending pressures are coming from many sources. Some of the most insistent come from some of the leaders of our Congress, and some State administrations. State and local taxes, for example, have trebled since World War II and the rise isn't

over yet for the States, counties and cities now spend \$1.10 for every \$1 they get in income.

These public spenders are practicing government-by-pressure group rather than government for the people. And they will only be dissuaded by public opinion strong enough to impress its will upon them.

Those in our Congress, and out of it, who are committed to excessive spending, and deficit financing, contend that going into heavier debt is no problem, because we can eventually tighten our belt and make it up.

But the hard question is simply this:

If we cannot pay our way as we go and reduce our national debt when our economy is running at an alltime high, when and how could we ever expect to accomplish this goal?

The question also arises: Who is to pay these stupendous debts eventually? We must assume that the intention, in large part, is for the students of today, such as you now on this campus, to bear this burden in due time. It is you who would have to pay most dearly for the victories of the pressure groups now.

We must recognize, too, that great pressure for inflation is generated by what has come to be known as the wage-price spiral.

There is no question but what the legitimate function of every labor leader is to ask for—to negotiate for—higher wages.

This is a rightful purpose of union leadership.

I myself worked at a factory job as a young man—and I know very well that one of my goals was higher wages. I have always been, and will always be, in favor of a responsible union movement.

But union members, with all other Americans, have every reason to insist that their leaders, as well as the leaders in management, exercise a high order of responsible statesmanship.

It is up to union leaders to recognize that if they use their vast economic power to force wage increases and employees benefits too high, they bring about fewer jobs and greater unemployment.

By forcing wage increases which far out-run increases in productivity, they can set the spiral of wage-price inflation going again.

The President has repeatedly emphasized that this matter is of deep concern to all 175 million Americans. And he has said that the American people cannot stand idly by and let the destructive forces of inflation be unleashed again.

We know, too, that more inflation will deprive our industries of adequate earnings to plow back into new products, equipment, and plants.

We must look to the expansion of our production capacity to increase job opportunities in the future. We must take every step to encourage, not sap, the growth power of industry and business.

In doing so, we need to recognize the burden our taxation is placing on the accumulation of capital for investment.

It is the same burden imposed on the personal incentive and earning power of every citizen.

The tax foundation tells us the average earner of \$4,500 a year works 22 days each month.

Seven days of this total—nearly one-third of his working time—is taken from his income in taxes.

And as he may succeed in building his income, he can look forward to the tax chunk becoming larger.

We need to relieve this stifling tax load carried by the individual citizen and by our business system.

There are over 100,000 taxing authorities in our country. Their weight can literally crush

the ability of business to meet its job-creating capital needs.

Our present tax structure is seriously outdated. It is a set of laws reflecting largely the condition of the past, especially World War II, when the goal was the confiscation of war profits, not the building of a sound peacetime economy.

A sensible, equitable, dynamic tax program is needed in its place. Such a program will keep total revenues up, not by taxing away incentive and means of growth, but by steadily increasing the tax base.

I have stated these problems of communism, inflation and taxation to you briefly. What progress are we making toward their solution?

We are, in fact, making uphill but encouraging progress, both within the Government and in the mobilization of public opinion.

Our Federal administration has set a realistic national budget, and is making a determined effort to keep the costs of Government within this budget.

We are meeting the full needs of our defense program. We are meeting all the legitimate needs of our people.

We are striving to operate the Government on a pay-as-you-go basis, thereby avoiding the fatalistic deficit philosophy so easy to get into but so desperately hard to shed.

And finally, we are taking positive steps to prepare for a program of progressive tax reform.

Because all of these efforts face powerful opposition, they depend of course on public opinion for their ultimate success. Here, too, we have reason for optimism.

In the past 6 months, we have seen a remarkable demonstration of the power of public opinion in this country.

When the 86th Congress convened, the spending philosophy was riding high in its ranks; there was almost no outlook for legislation giving union members and the public the protection they wanted; and there were only a few voices calling for a new look at the problems of taxation.

Today, the growing effects of aroused public opinion are clearly evident. Powerful forces still are bent on excessive Government spending, but strong opposition to them, both in and out of the Congress, is causing some searching reassessments to be made. The likelihood of preserving a balanced budget and holding inflation in check has grown brighter.

Union members throughout the country have made it clear that they are not in accord with the autocratic decisions of the small group of leaders who exercise national power.

Highly responsible newspaper studies and opinion polls make it clear that most union members do not want wage increases which inevitably will bring greater inflation upon them.

Seventy percent or more of the members of some of our leading unions have children in college—a good and significant fact—and they do not want more inflation to push the cost of higher education for their sons and daughters beyond their reach.

They have made it clear they do not want strikes. They have made it clear they want legislation to protect their rights. And the public in general has made increasingly evident its support of these millions of union members.

From throughout the country, we are hearing reports of taxpayer dissatisfaction with pressure-group budgets which result in constantly rising tax rates. There is a mounting ground swell of support for those public officials who make determined effort to set realistic budgets and to keep Government expenses within those budgets.

All these are trends. But they are still trends. They must be carried forward with firmness and tenacity by the American people if they are to end in real success.

My appeal to you today is to join the battle to meet this challenge.

I am proud of my Midwest heritage, and I know that all of you from this great part of the country feel that same pride.

The Midwest is a cradle of patriotic and progressive action, and of leadership, for the public good. Let us be sure that that heritage is fully upheld in these critical days.

Whether you are student, a faculty member, or an alumnus of Miami, your voice is important. Your help is needed. Your leadership is important.

I urge you to take your place among those who will speak, work, and fight for sound policies and a stronger America in the years before us.

There is, unfortunately, a widespread tendency on the part of the public to "let George do it" insofar as our Government is concerned. We ask and expect the President, the Vice President, the Cabinet, the heads of a few agencies, and the responsible Members of the Congress to carry on the overall management of our Government and protect the public welfare. Too many fail to do their share and far too few citizens take an active interest in, and forcibly support, good government.

Only by universal participation can we be sure that the Government will serve all the people—not some special interest—and assure the greatest opportunities for all our citizens.

My friends, this is the banner of true liberalism.

Advancing under it, we shall meet the Communist economic challenge as surely as we shall meet the military and political challenge.

We shall build the better tomorrow for which the leaders and the faculty of this university are preparing our young people—and into which the students of today and tomorrow can proceed with bright hope.

We shall move forward, in full confidence, into the golden era of unlimited opportunity that lies ahead for every American.

**John W. Mahan, Commander in Chief,
Veterans of Foreign Wars**

EXTENSION OF REMARKS
OF

HON. J. T. RUTHERFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. RUTHERFORD. Mr. Speaker, for many years, throughout the history of our country, veterans, through their veterans' organizations, have made great contributions to the formulation of our national policies. In so doing our veterans have materially enhanced the greatness of our Nation.

It is indeed a tremendous honor for any veteran to be chosen by his comrades to head one of our great veterans' organizations. The responsibility of serving as the acknowledged leader and spokesman for a large national veterans organization is a heavy responsibility in every sense of the word.

At this time I rise to invite the attention of the Members of the House to the truly outstanding services to veterans and to our Nation which have been performed by Mr. John W. Mahan, the present commander in chief of the VFW. During his tenure as national commander in chief of the VFW, the membership of that organization, composed entirely of oversea veterans, has been steadily, month by month, breaking previous records. Commander in Chief Mahan, through his tireless and vigorous program of visiting VFW and governmental leaders throughout the country, has created in every part of our Nation a new awareness of the indispensable role that the VFW is performing in furthering the interests of our national security and helping shape other vital governmental policies.

Here in Washington the VFW, under Jack Mahan's leadership, has achieved even greater stature and influence. I know, from conversations with other Members of this House, that they share my views with respect to the assistance, advice and understanding which has been accorded to us by this unusually able and sincere VFW commander in chief. Very appropriately, there is never any question but what he has forcefully, astutely, and intelligently fought for the interests of the veterans. One of the reasons he has been so influential is that he possesses an amazing knowledge of veterans problems and their legislative aspects. He meets with us as a fellow citizen, a keen student of veterans affairs, and a man of great objectivity and wisdom.

Undoubtedly one of the reasons why the influence and stature of the VFW is so great at this time is that Commander in Chief Mahan has, during his tenure as commander in chief of the VFW, moved to Washington and temporarily set up residence here at the seat of Government. Consequently, he is available for consultation and advice to members of the House and Senate on short notice whenever a matter concerning veterans legislation or subjects in which they are interested arises. He is probably, as a result of his residency in Washington, better known personally to Members of Congress than any person previously occupying a similar position. Members of Congress and veterans, both individually and as members of their organizations, are indebted to Jack Mahan for the thoroughly conscientious and extremely able manner in which he has represented the VFW in Washington during this session of Congress.

The VFW influence has been marked, not only in matters of vital interest to veterans, but in problems connected with national defense policy, housing, education and practically every major aspect of legislation. There is no doubt in my mind but what the work of Jack Mahan, which was so effective by reason of his actual residency, was largely responsible for the action of the House of Representatives when it recently increased veterans' appropriations above that recommended by the administration.

Seldom has the influence of one person made such a great contribution to such vital legislation. The VFW has long been noted as an organization interested in the Nation's defense and security; it has a heritage of freedom and Commander Mahan will, I know, continue the VFW tradition in this respect.

As a member of the VFW—in which I have held the profound privilege of being the commander of the department of Texas—I share the feeling of my colleagues in Congress who are proud that a great veterans' organization has produced such a patriotic, sincere, and able leader as John W. Mahan.

The New Benefits of the Railroad Retirement Act, Public Law 86-28

EXTENSION OF REMARKS

OF

HON. HERBERT ZELENGO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. ZELENGO. Mr. Speaker, under leave to extend my remarks and with the unanimous consent of the House, I take this opportunity of expressing satisfaction upon the enactment of Public Law 86-28, known as the Railroad Retirement Act, which I had the pleasure of actively supporting.

This vital legislation was necessary to overcome the economic inequities heretofore existing for thousands of our American citizens who have given many years of their working lives to the railroad industry.

The various railroad unions are at present in the process of informing their members of the benefits accruing under the act.

In response to a great number of inquiries which have been directed to many of my colleagues and myself from railroaders, I take this opportunity of presenting in simple form an explanation of the principal new amendments dealing with the benefit features of the law.

I. NEW RETIREMENT PROVISIONS

A. All retirement and survivor annuities and pensions are increased by 10 percent effective June 1, 1959. The July 1 payment will reflect this increase. There is no need to apply for the increase; it will be granted automatically by the Railroad Retirement Board. The maximum old-age annuity now is \$204 a month for a retired employee and \$65 for his eligible wife.

B. Beginning June 1, 1959, railroad earnings up to a maximum of \$400 a month will be counted in figuring the amount of any retirement or survivor benefits based on the employee's service. Also, the employee and the employer will pay retirement taxes on the employee's earnings up to a maximum of \$400 a month. Under the old law the monthly

limit on creditable and taxable earnings was \$350.

C. Beginning June 1, 1959, the employee and employer retirement tax rate was increased from 6¼ percent to 6¾ percent each on earnings up to \$400 a month. In 1962 this rate will rise again to 7¼ percent.

D. Women employees with less than 30 years of service, and wives of retired employees, may elect to receive a reduced annuity at age 62. The annuity will be reduced by ⅓ for each month they are under age 65. Under the old law they had to wait until age 65 to qualify.

E. An employee under age 65 who is retired on disability may earn up to \$1,200 a year without losing his retirement benefit. If he exceeds \$1,200 a year he loses 1 month's annuity for each \$100 earned over \$1,200. Under the old law the disability annuitant lost 1 month's annuity for any month in which his earnings exceeded \$100.

F. For veterans drawing non-service-connected disability pensions from the Veterans' Administration, the railroad retirement benefits will no longer be counted as earnings under the income limitations of the Veterans' Administration which are \$1,400 a year if the veteran has no dependents and \$2,700 a year if he has one or more dependents.

Under the old law a veteran was permitted to waive all or a portion of his railroad retirement benefits in order to come within the income limitations.

II. NEW UNEMPLOYMENT INSURANCE PROVISIONS

A. Benefits payable to unemployed or sick railroad workers will be, on the average, 20 percent higher than under the old law. The new daily benefit rates range from \$4.50 to \$10.20 a day, depending upon the employee's annual compensation in the preceding calendar year. These new benefit rates are retroactive to July 1, 1958.

B. Extended unemployment benefit periods beyond the maximum of 130 compensable days provided under the old law will be provided as follows:

First. Those with less than 10 years of railroad service who have exhausted their unemployment benefit rights after June 30, 1957, and before April 1, 1959, can receive benefits for an additional 65 days in the period June 19, 1958 through June 30, 1959. This extension is the same as the Congress provided for all other unemployment insurance systems covered under State laws.

Second. Those who have 10 but less than 15 years of railroad service and have exhausted their rights to normal unemployment benefits can draw benefits for as many as 65 additional days in the 3 months following the exhaustion of their benefit rights.

Third. Those who have 15 or more years of railroad service and have exhausted their rights to normal unemployment benefits can draw benefits for as much as 130 additional days in the 6 months following the exhaustion of their benefit rights.

Fourth. Those who have 10 or more years of railroad service and are not cur-

rently qualified for unemployment benefits, but will be qualified employees in the next benefit year, can start the next benefit year early, at the beginning of the month in which they were unemployed 14 or more consecutive days.

C. Sundays and holidays could be compensable days of unemployment, just as any other day, whether or not such Sundays and holidays are preceded and succeeded by a day of unemployment. Under the old law Sundays and holidays could not be counted unless they were preceded and succeeded by a day of unemployment.

D. Unemployment benefits are now payable for all days in excess of 4 in the first registration period—consisting of 14 days—in a new benefit year. The old law provided for payments for all days in excess of 7 in the first registration period in a new benefit year.

E. Beginning July 1, 1959, those who become unemployed or sick will need wages of \$500 or more—instead of \$400 under the old law—in the preceding calendar year in order to qualify for benefits.

F. Beginning June 1, 1959, earnings up to \$400 a month will count toward the base year earnings of an employee and the payroll tax—paid by the employer only—will be paid on earnings up to that amount.

G. Beginning June 1, 1959, the payroll tax on railroad employers was increased from 3 percent to 3¾ percent, the new maximum rate provided by the new law.

The increase in the retirement tax rates and the taxable base are now considered to be adequate to pay for the 10-percent increase in benefits and also to eliminate the deficit in the railroad retirement account which amounted to over \$200 million annually. There is assurance that the railroad retirement system is now actuarially sound.

It is my sincere hope and prayer that the benefits of Public Law 86-28 will afford adequate security for the railroaders and their families for some time to come.

The Postmaster General Is Commended for Preventing Obscene Matter From Going Through the Mail

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. REES of Kansas. Mr. Speaker, I join millions of American fathers and mothers in congratulating Postmaster General Summerfield on his forthright and public spirited action in banning this book, called "Lady Chatterley's Lover," from the U.S. mails. This is in the highest tradition of the performances by our Postmasters General of their legal duty to protect the

public by closing our great postal communications system to peddlers of smut and filth.

I have devoted much of my time and attention, during my entire service in Congress, to the maintenance of a clean mail postal system. To me, the most significant factor in the Postmaster General's action is his recognition of the underlying principle that the test of obscenity in matters of this kind is whether, in applying "contemporary community standards," the dominant theme as a whole appeals to prurient interests. Few if any Americans would want to acknowledge that the moral standards of their community are such as to condone use of the mails to distribute this type of book. The subject of the Postmaster General's ban is so vile and filthy—so altogether repulsive—as to offend the sense of decency of every right-thinking American. A calculated appeal to immorality of this kind cannot be glossed over and made less lewd by any artistry of rhetoric or prose. It is a misuse of languages toward an end contrary to all the finer ideals and standards of civilized mankind.

The Postmaster General is to be strongly commended for his alert and effective action to protect the public by forestalling this latest effort to open the mails for traffic in obscenity, pornography, and other illegal matter. This book not only should be excluded from the mails; it should be banned from newsstands, stores, and all other places of sale or distribution.

National Safe Boating Week

EXTENSION OF REMARKS

OF

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1959

Mr. CHAMBERLAIN. Mr. Speaker, in the 85th Congress, it was my pleasure to sponsor a joint resolution authorizing the annual observance, by Presidential proclamation, of National Safe Boating Week during the week which contains the Fourth of July. This legislation was approved in time for the first Presidential proclamation to be issued last year.

I am happy to report that the 1958 National Safe Boating Week was an unqualified success in its objective of focusing attention upon the potential dangers—and the need for safe boating practices—in this fast growing recreational field.

On Saturday, June 27, this year's National Safe Boating Week will get underway. It is estimated that since the 1958 week some 9 million more Americans in a million more boats have taken up the sport. That rate of increase is showing few signs of diminishing, and only emphasizes the growing importance of boating safety work by numerous boating and yachting clubs, marine manu-

facturers and dealers, and safety associations.

Coordinating these activities are the U.S. Coast Guard and its civilian arm, the Coast Guard Auxiliary, the voluntary organization which was authorized by act of Congress some 20 years ago for the purpose of promoting safety in the small boating field.

These organizations, I should emphasize, work the year around to make boating a safer recreation. The auxiliary, which is open to all citizens over 17 years old and own a 25 percent interest in a boat, plane or amateur radio station, now numbers nearly 17,000 members from the Atlantic coast to Hawaii, including Alaska.

I was privileged recently to attend the May 6 opening day of the Coast Guard Auxiliary's national conference in New York City, where I gained further insight into the valuable work of this organization.

Under leave to extend my remarks in the Record, I include the auxiliary's report on the conference from its monthly digest, "Under the Blue Ensign," and also the announcement of the 1959 National Safe Boating Week by Vice Adm. A. C. Richmond, commandant of the U.S. Coast Guard, in which he clearly sets forth the objectives of this special observance, and the President's proclamation, as follows:

UNDER THE BLUE ENSIGN

(Monthly digest of the U.S. Coast Guard Auxiliary)

The annual national conference of the Coast Guard Auxiliary, recently held at the Hotel Astor, New York City, was the largest and one of the most successful held thus far. Members returned to their units throughout the country, Alaska, Hawaii, and Puerto Rico, confident that with the plans for future activities, this, the 20th anniversary of the auxiliary, will be a banner year.

After convening the conference, Capt. Harold B. Roberts, chief director of the auxiliary, turned the presiding gavel over to National Commodore Charles S. Greanoff. The principal speaker for the opening session was Congressman CHARLES E. CHAMBERLAIN, Republican of Michigan, who sponsored the National Safe Boating Week legislation. The Congressman stated that the fine reputation of the Coast Guard and the auxiliary was a tremendous assist in getting congressional approval of the Presidential proclamation. He expressed his availability to further aid in the promotion of safety, feeling that we must arouse a high degree of safety consciousness among boat operators comparable to that which has been done with automobile operators.

At the Commodores' Luncheon, honoring the Commandant of the Coast Guard, Vice Adm. A. C. Richmond recalled that he had helped frame the original regulations for the organization in 1939, and thus took a certain personal pride in now viewing its steady growth and its fine record of accomplishments, especially in recent years. He stated that there is an even greater need for its services in public education and assistance to the Coast Guard. The commandant cautioned that the Boating Act of 1958 will not permit "resting leisurely on the oars"; education not regulation is the primary answer to safety afloat. In addition, the Coast Guard will still enforce the law on Federal waters, although it will coordinate

its activities, wherever possible, with States providing adequate enforcement.

Certainly, if a State moves into the law enforcement field and if it is effectively enforcing its own State laws with respect to small boats, the Coast Guard, having limited facilities, will use those facilities in other States that are not enforcing the law or do not have comparable law enforcement provisions. But, this in no way relieves the Coast Guard of the responsibility of discharging the Federal functions.

At the conclusion of the luncheon, the Commandant presented certificates of office to each of the 12 district commodores in an installation ceremony.

The 4-day conference concluded with a windup dinner-dance. Assistant Secretary of the Treasury A. Gilmore Flues told the assembled members and guests that the auxiliary, like its parent service the Coast Guard, has a growing responsibility and importance in problems of peacetime activities. Mr. Flues observed that the auxiliary has assisted the boating public immeasurably by the promotion of safe boating through its educational and courtesy motorboat examination programs. He pointed out that if a maximum safety program, through a blending of law, regulation and education is achieved, much of the credit for its success will belong to the Coast Guard Auxiliary. A highlight of the evening was the special honor paid to Capt. and Mrs. H. B. Roberts by the officers of the Auxiliary National Board in behalf of the 17,000 members. The chief director leaves shortly to assume new duties as captain of the port, San Francisco.

This year, for the first time, a press conference was held for reporters and writers representing the newspapers and boating magazines. National Vice Commodore Bliss Woodward presided over the group and introduced Congressman Charles E. Chamberlain; Chief Director Capt. H. B. Roberts; National Public Instruction Officer Joseph V. Day, of Chicago, Ill., and National Publications Officer Robert J. Boyle, of Montrose, Calif., who outlined Auxiliary activities and the educational and courtesy motorboat examination programs. This group also had an opportunity of viewing the posters, publications, and other materials used by the auxiliary.

Also, for the first time, leading training aids and promotional exhibits from various districts were on display, and competed for national honors. First place was awarded to the third district (northern area), New York, with second place to the third district (southern area), Philadelphia, and third place to the second district, St. Louis.

National Educational Research Officer Alan A. Atchison described new developments and projects and presented the latest edition of the public instruction course text, "Basic Seamanship and Small Boat Handling," formerly in eight separate pamphlets, and now combined into one booklet. It will be distributed when the remaining stock of separate pamphlets is exhausted.

Culminating the business meetings were the reelections of National Commodore Charles S. Greanoff, of Cleveland, Ohio, and National Vice Commodore Bliss Woodward, of Mamareonek, N.Y., by unanimous vote in recognition of their effective leadership during the past year.

Special acknowledgments were made to Rear Adm. H. C. Perkins, U.S. Coast Guard, commander, Third Coast Guard District, and Third District Commodore Lloyd A. Albin, and their respective staffs and committees, for their labors in arranging for the receptions, cruises, and other social events for the participants and guests.

Other honored guests who attended the conference were: Rear Adm. I. E. Eskridge, chief, Office of Operations; Capt. W. P.

Hawley, chief of staff, Third Coast Guard District; Capt. Richard Baxter, new chief director; and Chief Comdr. Lester C. Lowe, U.S. Power Squadrons.

U.S. COAST GUARD.

To All Boating Enthusiasts:

I am pleased to announce that National Safe Boating Week will be observed June 27 through July 5 under the direction of the National Safe Boating Week Committee. The committee is composed of representatives of industry, education, and sports groups who, together with the Coast Guard and Coast Guard Auxiliary, are concerned with recreational boating.

Boating has become America's No. 1 family recreation. With some 37 million Americans taking to the water in approximately 7 million pleasure boats of every description, a special effort must be made to focus attention on the growing need to know and observe basic safe boating rules and regulations to maintain boating's outstanding record as one of the safest of all outdoor sports. This was the objective of the Coast Guard and the Auxiliary in originally sponsoring National Safe Boating Week.

This is a tremendous assignment and obviously is beyond the capabilities of any one organization, whether government or private, to carry out alone. If we are to make boating one of the safest outdoor activities, the National Safe Boating Week Committee must have the support and cooperation of the boating public and everyone interested in the safety of our citizens. Therefore, I call upon every boating enthusiast to join in this effort to advance the cause of boating safety.

A. C. RICHMOND,
Vice Admiral, U.S. Coast Guard,
Commandant.

THE WHITE HOUSE, April 24 1959.

NATIONAL SAFE BOATING WEEK, 1959
(Proclamation by the President of the United States of America)

Whereas the waters of the United States provide recreation for many millions of our citizens during the boating season; and

Whereas safe boating practices contribute to greater enjoyment of the sport by reducing loss of life and damage to property; and

Whereas the Congress, by a joint resolution approved June 4, 1958 (72 Stat. 179), has authorized and requested the President of the United States to proclaim annually the week which includes July 4 as National Safe Boating Week:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby designate the week beginning June 28, 1959, as National Safe Boating Week.

I urge all boatmen, boating organizations, the boating industry, State and Federal agencies, and all other groups interested in boating to join in this observance of National Safe Boating Week; and I call upon them to exert greater effort during that week and throughout the boating season to keep boating safe and pleasant.

I also invite the Governors of the States, the Territory of Hawaii, the Commonwealth of Puerto Rico, and the possessions of the United States to provide for the observance of this week to encourage nationwide interest in safe boating practices.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this 24th day of April in the year of our Lord 1959, and of the independence of the United States of America the 183d.

DWIGHT D. EISENHOWER.

By the President:

CHRISTIAN A. HERTER,
Secretary of State.