

In the cause of world peace. Your generation has an opportunity to lead mankind toward a system of international justice through law under which international disputes will be settled by the application of rules of reason through judicial process applied by international organizations such as the Organization of American States and the United Nations. The answer to the international tensions that threaten world peace today is not to be found in a nuclear war. It must be found by enlightened people everywhere seeking to solve the causes of international misunderstanding and to strengthen the forces of freedom of which I have spoken to you.

I congratulate you on your opportunity to take up the burden of this great moral obligation. May God bless you in all of your endeavors.

#### INCENTIVE AWARD TO MRS. ELIZABETH HANUNIAN, TRANSLATOR IN LIBRARY OF CONGRESS

Mr. LANGER. Mr. President, I am delighted to see, from the information bulletin published by the Library of Congress, that Mrs. Elizabeth Hanunian, a translator in the Library has been given the employee incentive award. I am sure that almost every Member of this body, has, at one time or another, been the recipient of Mrs. Hanunian's very capable services.

The Librarian of the Library of Congress is to be complimented on his good judgment in giving the incentive award to Mrs. Elizabeth Hanunian to whom I extend my congratulations and good wishes that this recognition may lead to her promotion.

#### TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

#### ADDITIONAL BILL INTRODUCED

The following additional bill was introduced:

By Mr. BUTLER:

S. 2211. A bill to provide for the conveyance to the State of Maryland of a tract of land located on the campus of the University of Maryland, College Park, Md., which was previously donated by the State of Maryland to the United States; to the Committee on Interior and Insular Affairs.

#### ADDITIONAL REPORT OF A COMMITTEE

Mr. HUMPHREY, from the Committee on Government Operations, to which was referred the bill (S. 1851) for the establishment of a Commission on a Department of Science and Technology, reported it favorably, without amendment, and submitted a report (No. 408) thereon.

#### AMENDMENT AND CLARIFICATION OF REEMPLOYMENT PROVISIONS OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT—AMENDMENTS

Mr. SALTONSTALL submitted amendments, intended to be proposed by him, to

the bill (S. 1191) to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes, which were referred to the Committee on Armed Services, and ordered to be printed.

#### RELIEF OF MATILDA KOLICH

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 384, Senate bill 1613.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1613) for the relief of Matilda Kolich.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

#### ADJOURNMENT TO MONDAY, JUNE 22, 1959

Mr. BYRD of West Virginia. Mr. President, in accordance with the previous order, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 12 o'clock and 52 minutes a.m. on Friday, June 19, 1959) the Senate adjourned, under the order previously entered, until Monday, June 22, 1959, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate June 18, 1959:

##### DIPLOMATIC AND FOREIGN SERVICE

Bernard Gufler, of Washington, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon, vice Lampton Berry.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate June 18, 1959:

##### DIPLOMATIC AND FOREIGN SERVICE

John Howard Morrow, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

William M. Rountree, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Pakistan.

Dempster McIntosh, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia.

##### DEPARTMENT OF COMMERCE

John J. Allen, Jr., of California, to be Under Secretary of Commerce for Transportation.

#### REJECTION

Executive nomination rejected by the Senate June 18, 1959:

Lewis L. Strauss, of New York, to be Secretary of Commerce.

## HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 18, 1959

The House met at 11 o'clock a.m. The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 5: 1-2: *Be ye therefore followers of God, and walk in love, as Christ also hath loved us.*

Almighty God, grant that we may be abundantly equal to the duties and tasks of this new day, confronting them with a sense of power that exceeds our sense of difficulty.

Deliver us from the anxieties and worries which consume our strength and mar our peace. May we remain calm and courageous in the contemplation of Thy divine grace and love.

Show us how the lofty ambitions and aspirations, which animate us and which we cherish, may be brought to fulfillment and fruition.

We are daily praying that the spirit of peace and good will may have an ever-widening dominion, removing the things that engender strife and strengthening the bonds of friendship among all the nations.

Hear us in the name of the Prince of Peace. Amen.

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

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House (to the Senate amendment to the House amendment) to the bill (S. 1) entitled "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."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) entitled "An act to strengthen the wheat marketing quota and price support program."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59-12.

#### DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, 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 Minnesota? The Chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL, CANNON, ANDERSEN of Minnesota, and TABER.

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 7175 may have until midnight June 22 in which to file a report.

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

There was no objection.

#### CALL OF THE HOUSE

Mr. ANDERSEN of Minnesota. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Ashley	Daddario	Powell
Belcher	Davis, Tenn.	Rabaut
Blatnik	Dorn, S.C.	Rostenkowski
Blitch	Gray	Scherer
Canfield	Hagen	Short
Carter	Harris	Teague, Tex.
Celler	Harrison	Willis
Cohelan	Kasem	Wilson
Cooley	McGinley	Withrow
Curtis, Mass.	Macdonald	

The SPEAKER. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### WHEAT PROGRAM

Mr. POAGE. Mr. Speaker, I call up the conference report on the bill (S. 1968) to strengthen the wheat marketing quota and price support program, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. No. 560)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the wheat marketing quota and price support program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That title 1 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 80 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 20 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 334(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 acreage history 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 marketing quotas for the particular crop are in effect and 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 20 per centum reduction in the farm acreage allotment required under section 334(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 20 per centum under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year. Price support at 80 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop: *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 any two or more legal entities the beneficial ownership of which is substantially the same or is in members of the same household, 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. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3)."

"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. 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, 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 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 fifteen acres: *Provided, however,* That a farm marketing quota on the 1960 and 1961 crops of wheat shall be applicable to—

"(i) any farm on which the acreage of wheat exceeds twelve acres;

"(ii) any farm on which any wheat is planted if no wheat was planted on such farm for harvest in the calendar years 1957, 1958, and 1959; and

"(iii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm."

"(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)), shall not be applicable with re-

spect to the 1960 and 1961 crops of wheat.

"(f) In lieu of the provisions of section 326(b) of the Agricultural Adjustment Act of 1938, as amended, the following provisions shall apply to the 1960 and 1961 crops of wheat:

"(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment, an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties."

"Sec. 3. 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 20 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 subsections (a), (b), and (c) of this section, any farm—

"(1) to which a wheat marketing quota is applicable; and

"(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

"(3) on which the marketing excess is zero 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 362 is amended by deleting the second sentence thereof.

"(e) 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. 4. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by striking out paragraph (5).

"Sec. 5. This Act may be cited as the 'Wheat Act of 1959.'"

And the House agree to the same.

HAROLD D. COOLEY,

W. R. POAGE,

GEORGE M. GRANT,

CARL ALBERT,

*Managers on the Part of the House,*

ALLEN J. ELLENDER,

OLIN D. JOHNSTON,

SPESSARD L. HOLLAND,

HUBERT H. HUMPHREY,

MILTON R. YOUNG,

KARL E. MUNDT,

*Managers on the Part of the Senate,*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1968) to strengthen the

wheat marketing quota and price support program, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

House action was on H.R. 7246, following which the Senate bill was taken from the Speaker's table and amended by striking out all after the enacting clause and substituting the language of H.R. 7246 as passed by the House. The amendment reported herewith combines the provisions of the Senate bill and the House amendment and was agreed to by the conferees as a substitute for the House amendment.

#### EFFECT OF THE BILL

The overall effect of the bill as agreed upon by the conferees and reported herewith will result in a wheat program for the years 1960 and 1961 which will—

- (1) reduce wheat production an estimated 200 million to 300 million bushels per year;
- (2) result in a cash saving to the Government of an estimated \$150 million to \$200 million per year.

#### SHORT EXPLANATION OF CONFERENCE SUBSTITUTE

The conference substitute contains the following major provisions of a temporary nature, applicable only with respect to the 1960 and 1961 wheat crops:

- (1) provides price support at 80 percent of parity;
- (2) reduces each farm acreage allotment by 20 percent below the allotment it would otherwise receive for the crops of 1960 and 1961;
- (3) prevents the diversion of such 20 percent to any other crops receiving price supports by conditioning wheat price support on reducing the acreage of other price supported crops below the 1957-58 average by an acreage equal to the 20 percent reduction in wheat acreage;
- (4) provides a payment in kind (one-third of the average annual yield) on an acreage equal to such 20 percent, if such acreage is not used for the harvest of any crop nor grazed;
- (5) imposes penalties on the actual yield of wheat from acres in excess of the farm acreage allotment (or double the normal yield if the actual yield is not shown);
- (6) increases the marketing penalty on excess wheat from 45 percent of parity to 65 percent of parity;
- (7) reduces the 15-acre exemption to 12 acres, and restricts it to farms which planted wheat in 1957, 1958, or 1959, and to producers who produce wheat on only one farm;
- (8) removes the 30-acre limitation on the feed wheat exemption; and
- (9) restricts to farms which are in compliance with their acreage allotments the right to withdraw and market wheat stored from a previous crop to avoid penalty.

The conference substitute makes the following permanent changes in the law:

- (1) limits wheat price support operations to \$35,000 per producer per year;
- (2) repeals the 200-bushel exemption;
- (3) prevents an acreage history penalty where, by reason of production failure, the producer has no marketing excess which he can store to avoid such a penalty;
- (4) repeals the authority for price support to noncooperators with respect to any basic agricultural commodity; and
- (5) repeals a provision requiring the County Agent or the local Committee Chairman to maintain an additional copy of the acreage allotment list for each commodity.

#### COMPARISON WITH HOUSE AMENDMENT

The acreage reduction and price support provisions of the bill follow the House amendment, including the denial of price support on wheat if the diverted acreage is

devoted to any other crop eligible for price support, a payment in kind if the diverted acreage is not used for the production of any crops whatever nor grazed, and limitation of price support to the commercial wheat producing area. The major differences between the House amendment and the conference substitute are that the level of price support is 80 percent (instead of 90 percent in the House amendment) and the required reduction in acreage is 20 percent (instead of 25 percent as in the House amendment).

The House provision providing price support for noncooperators if marketing quotas for wheat should be disapproved is not contained in the conference substitute. In its place, the conferees adopted the Senate provision which will have the effect of prohibiting price support to noncooperators with respect to any basic commodity. If marketing quotas should be disapproved, price support at 50 percent of parity would be made available only to cooperators. The conference substitute will make no change in the existing provision of law which fixes the minimum CCC resale price for wheat at 105 percent of the current support price, plus carrying charges.

In order to qualify for the payment in kind provided by the conference substitute, the producer is required, in accordance with regulations prescribed by the Secretary, to designate an acreage on the farm equal to the 20 percent reduction in the farm wheat acreage allotment. A great deal of authority has been left in this matter to the discretion of the Secretary. The intention of the conferees is that an acreage of cropland approximately equal in productive capacity to the producer's wheat acreage shall be designated, but experience under the Soil Bank Act has shown that it is difficult to spell out this intention within the rigid framework of law. The conference therefore leaves it to regulation, which may be adapted to new cases or problems as they arise. The Secretary is authorized and is expected to issue such regulations as may be necessary to effect the reduction in production contemplated by this provision.

The conference adopted the Senate provision relating to production of wheat on acreage in excess of acreage allotments. Under this provision any wheat produced on excess acreage will be considered farm marketing excess and subject to penalty. Under the House amendment, the marketing excess would have been reduced to zero if the total production on the allotted and excess acres did not exceed the normal production of the allotted acres.

The conference substitute contains the Senate provisions restricting the 15-acre exemption to 12 acres in 1960 and 1961. This permits any producer who has harvested wheat in 1957, 1958, or 1959, except producers operating more than one farm, to take full advantage of the 12-acre exemption. The House provision would have restricted the exemption to 12 acres or the highest acreage planted on the farm in the immediately preceding 3 years.

The conference substitute makes no change in the provisions, common to both the Senate and House bills, permitting a producer to grow as much wheat as he wants if he uses it all on the farm where it is produced.

With respect to eligibility for voting in the referendum on wheat marketing quotas, the conference substitute follows the Senate bill, which made no change in existing law. Under the conference substitute, producers who will be subject to the marketing quotas upon which the referendum is held will be eligible to vote in that referendum. Thus, all producers who are affected by the temporary reduction in the exemption from 15 acres to 12 acres will be

eligible to vote in the referendum to be held next July on the 1960 wheat crop.

HAROLD D. COOLEY,  
W. R. POAGE,  
GEORGE M. GRANT,  
CARL ALBERT,

*Managers on the Part of the House.*

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, the conferees bring for the consideration of the House today a compromise bill which has been worked out in conference with the conferees of the other body in 2 days of sessions. The form of the bill which we bring today follows substantially the form of the House bill. The compromise is a compromise with respect to the support level and with respect to cuts in allotments.

The Senate bill was a multiprice bill which provided for various stages of price support ranging from 65 to 75 to 80 percent of parity with a stairstep of cuts ranging from no cuts to cuts up to 20 percent. It was the opinion of the House conferees that that kind of bill would not do the job; we would have no way of knowing whether we would get any cuts either in price or in acreage. Certainly it would be sure that we would not get enough cuts to bring the production of wheat below the disappearance of wheat. The bill upon which the conferees have compromised reduces the price support feature contained in the House bill from 90 percent to 80 percent. The House conferees submitted practically every possible intervening proposal between 90 percent and 80 percent, and all proposals were rejected by the Senate conferees until we reached the level of 80 percent. There were some who wanted to continue the support level at 75 percent. The majority of the members of the House conferees wanted the House bill. This conference report represents a compromise.

This bill also will provide for a reduction in acreage allotments by 20 percent. In the considered judgment of your conferees this bill will take more than 11 million acres out of production and will cut the production of wheat by about 300 million bushels per year in a normal year. It will cut costs to the Government an average of about \$200 million a year. It will aid the wheat farmers of this country because it will begin to get disappearance above production, and everybody that knows anything about the program knows that the wheat farmers cannot expect to continue with a program under which the Government is buying at the rate of 100 million to 400 million bushels of wheat per year and storing it at a carrying charge of from 18 to 30 cents a bushel, wheat which we can neither sell nor give away at home or abroad. That is the important issue in this bill.

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

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. When the bill was before the House the gentleman offered an amendment which, as I understood,

gave the small wheat farmer a vote in the referendum. The gentleman made a very persuasive argument for it. Now, is that provision still in the bill under this conference report, or has it been taken out?

Mr. ALBERT. No; the Senate provision was accepted. The Senate provision is a partial victory for the small farmer, and giving up the right to vote was a partial loss to the small farmer.

Mr. HALLECK. In other words, the right of the small wheat farmer to vote in the referendum has been taken out of the bill by the conference action?

Mr. ALBERT. Only those subject to marketing penalties are permitted to vote, which means those who have allotments of more than 12 acres, I will say to the distinguished gentleman; or to those who plant more than 12 acres.

In return for that, the Senate bill is more liberal in its acreage allowance to the small farmer, because under the House bill the exemption extended either to 12 acres or the highest planted. Under the conference report any farmer who planted wheat in any amount, from less than an acre up, is entitled to the full exemption of 12 acres under this bill.

Now I want to go to the basic philosophy of this bill. The purpose of this bill is to cut Government costs, to cut wheat production and to try to do that without wrecking the economy of the wheat farmer. That is the purpose and the philosophy of this conference report.

The President's press conference yesterday has been quoted quite a bit lately, as to whether he will sign or veto this bill. I do not know what the President of the United States will do and I do not think you can tell from his press conference what he will do. But I know this, that if the President vetoes this bill it will be his responsibility and his alone. If the President signs this bill, the primary responsibility for what happens will be in the Congress of the United States where it should be. We are the primary legislative authority of this country and I, for one, am willing to take my share of the responsibility.

If the President vetoes this bill, he will be vetoing a measure which contains in many particulars legislative reforms which he has advocated. Everything in this bill but the support level has been advocated by the President of the United States. In his message to Congress on January 29, the President of the United States said that 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 it would not be in the best longtime interests of the wheat growers and agriculture generally.

Mr. Speaker, if there was ever a time when we have an emergency adjustment period that time is now. What else did the President recommend? He recommended that we eliminate the provision allowing farmers to grow up to 15 acres. We have reduced that to 12.



He recommended that we raise the penalty rate for overplanting to a point that will stop the practice, and we have done that precisely as he recommended.

He has recommended that we base the penalty for overplanting on the actual overproduction rather than the normal yield per acre. We have done that precisely as the President has recommended.

He has asked that we eliminate the 55 million acre minimum, and we have reduced that minimum to 44 million acres.

He has asked on various occasions that we allow unrestricted production of wheat for feed on the farm so that a farmer can plant all he wants to plant for his own purposes. We have done that precisely as the President of the United States has previously recommended.

This bill will reduce production, I repeat, by 300 million bushels a year. This bill will cut the cost. This bill should be enacted.

Mr. POAGE. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, with reference to where the responsibility may lie as far as the enactment of wheat legislation is concerned, the fact still remains that the responsibility for enacting realistic legislation which can be enacted into law is within the province of the Congress of the United States. You cannot shift that responsibility to the President of the United States, no matter how hard you try.

Mr. HALLECK. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. HOEVEN. I yield to the gentleman from Indiana.

Mr. HALLECK. In light of the statement made by the gentleman from Oklahoma, I certainly do not know whether the President will sign this bill or not if it is passed by the Congress in its present form, and I do not think anyone else knows.

As far as I am concerned, I commend the gentleman from Oklahoma for saying that if it becomes law it is the responsibility, and it will be the responsibility may I say, largely of the majority party here in the Congress of the United States. And if that is the situation then certainly you carry the responsibility and one day if it becomes law, because it is not going to really cut down on the production, it is going to continue to be an expensive program, and does not deal realistically with the real problem that is before us, so as far as I am concerned, the majority will have to carry that responsibility.

Mr. HOEVEN. There is so much to be said against the conference report and so little time in which to say it under the parliamentary situation which prevails so I can only hit the highspots. First of all, let me say that the conference report was not signed by the minority Members of the House who were among the conferees. Neither was it signed by the ranking minority Member in the other body. A strange alignment has sprung up in opposition to the conference report. I understand it is being opposed by those who want 90 percent of parity.

On the other hand it is opposed by those who want less than 80 percent of parity.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a question at this point?

Mr. HOEVEN. I yield to my friend from Oklahoma.

Mr. ALBERT. Has not the gentleman hit the nail on the head? In other words, that this is a compromise between those who want low prices and those who want high prices?

Mr. HOEVEN. Of course it is a compromise but a compromise is not necessarily always right.

Again, I say the conference report seems to be opposed by those who contend we should have 90 percent of parity. It is opposed by those who say that 80 percent of parity is too high. It is opposed by those who feel that a 20-percent cut is too drastic and it is opposed by those who feel that a 20-percent cut is not enough. And if we can get the facts to the people, I am sure that they as taxpayers are also opposed. In short, I have been unable to find anyone who is really hot for this legislation when you boil it all down.

The conference report does not come to grips with the surplus problem. It costs more than the present program. In the general debate on the main bill the other day I tried to point out two criteria that had to be met so far as I was concerned, and I believe I reflect the position of the minority in that regard. First, any legislation must result in reducing the surplus as it encompasses all crops and, secondly, any new proposal must cost less than the present program. If we do not accomplish this, we are simply shadow boxing.

This bill has one fundamental weakness. It attempts to go in two directions at the same time. On the one hand it tells farmers that they must reduce their acreage of wheat by 20 percent. On the other hand it tells farmers to step up their yields per acre because the Federal Government will support the price at a higher rate per bushel.

Those who have not examined the historical facts very carefully would believe those who claim that a 20-percent reduction in acreage would reduce production by approximately 20 percent. However, all history and all statistical data point in the opposite direction. In the 5-year period, 1949-53, the harvested acreage averaged 67.7 million acres, with an average yield during that period of 16.5 bushels per acre. Under acreage controls in the 1954-58 period acreage was reduced by over 25 percent but yield per acre jumped to 21.4 bushels per acre, about 30 percent. We would expect that the same situation would happen in 1960 and 1961 as has happened in the past. Cut the acreage and yields jump. This may be expected since the poorest acres come out and all the technology is poured on the remainder.

There seems little justification in raising price supports at a time when we have 1.3 billion bushels of wheat in surplus representing over \$3.5 billion. The bill approved by the conference committee does just that. It raises price support

for wheat by some 12 cents per bushel from 75 percent of parity to 80 percent of parity. While raising supports, the conference bill cuts the acreage of wheat farmers by 20 percent. This is a harsh cut to the individual farmer. We know from experience that a cut in acreage never brings a corresponding cut in production. The Department of Agriculture estimates that the 20-percent cut in acreage will bring only a 10-percent cut in wheat output.

Thus the farmer is asked to take a further cut in his wheat acreage under a program which will not really reduce the surplus.

The payment-in-kind provision is still in the conference bill—and let me say that in my opinion this administrative monstrosity is completely unfeasible. The payment-in-kind provision calls for the Government to channel back into the market an amount of wheat equal to one-third of that which would have been raised on the wheat acreage in the 20 percent cut. In other words, this payment-in-kind gimmick means that the actual amount of wheat available on the market would be only 13 percent less than at present if a 20-percent cut in acreage resulted in a 20-percent cut in output. We know this cannot happen. If we use the Department's estimate that a 20-percent cut in acreage will result in only a 10-percent cut in wheat production, the payment-in-kind gimmick will cause only a 3-percent cut in the total wheat supply on the market. This is not enough to cut into surplus. Therefore, Uncle Sam will either buy back his own wheat or buy other wheat to replace that which was given away. This just doesn't make sense. There are many administrative problems raised by the payment-in-kind provision. For example, how will the Department determine the actual yield on every wheat farm in the United States? There are no such records now. How can such a program be administered? You would have to catalog every wheat farm in the United States and would have to keep a careful check on each farmer's wheat production and figure out the amount of his payment in kind. The whole program would have to be carefully policed and supervised. In my judgment, this provision in the bill cannot be enforced.

The fact that the wheat farmer faces a bleak future under this bill is evidenced by the lack of support by farm and commodity organizations. I have heard no clamor for its enactment. On the contrary, I have heard only criticism from all quarters. The bill not only imposes a sharp cut in acreage, lower income, and no hope of alleviating surpluses at less cost, but it does not give a clear-cut choice in the national referendum.

Here is the choice a wheat farmer must make—a wheat farmer who is eligible to vote, that is, since the overwhelming majority of wheat farmers are still denied the right to vote—the wheat farmer must either take this bill or nothing. If marketing quotas are voted down, only cooperators would get price support. That means 50 percent of parity of \$1.18 per bushel on the present allotment, hardly survival price.

The bill specifically prohibits price support to noncooperators. In addition, CCC could release its tremendous surplus at approximately 53 percent of parity, so the market price would be so dramatically depressed that noncooperators could not survive either. The only choice offered farmers is the bill. The referendum would be mere window dressing.

There are still many loopholes in this bill. There is no cross compliance. A wheat farmer can still raise corn, grain sorghum, or any other price-supported crop if he wishes to do so. All he would lose would be his price support on his wheat and the payments in kind. It has been argued that this is a sufficient inducement to cause the individual farmer to forsake planting any price-supported crop. However, my experience has been that America's best businessman is the American farmer. He will recognize and utilize this loophole. I want to say to you representatives from the Corn Belt that these diverted acres can be put into grain sorghums which are already creating a great surplus problem. Furthermore, the diverted acres can be put into corn, barley, oats, and other price-supported crops in direct competition with corn and feed grains. In reducing some of the wheat surplus, you are, by the same token, adding to the surplus of general farm commodities and, hence, you are getting nowhere fast.

The cost of this bill is more than the present program. Under this bill, the export subsidy which we pay on every bushel of wheat would be raised by 12 cents. This alone means an additional cost of \$63 million per year.

The payment-in-kind provision is estimated to be \$113 million per year. The cost of supporting additional crops planted on that acreage taken out of small farms and additional crops grown by farmers who do not take payments in kind would be around \$75 million per year.

The savings to CCC by virtue of the 20 percent acreage allotment cut would run about \$240 million per year.

Thus, when we add the increased export subsidy of \$63 million plus the payment-in-kind provision of \$113 million, plus \$75 million for diverted acres, and subtract possible savings by the required allotment cut, we come out with a program costing some \$11 million per year more than at present.

You are not meeting the issue, and you are only adding to the cost of the overall surplus problem.

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

Mr. HOEVEN. I yield.

Mr. FRIEDEL. If we do not adopt the conference report would we go back to the old law?

Mr. HOEVEN. If the conference report is not adopted and no other action is taken by the Congress, the present law will prevail, which means 75 percent of parity and an allotment of 55 million acres.

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

Mr. HOEVEN. I yield.

Mr. ARENDS. I wish the gentleman would explain to the House what is go-

ing to happen to the 15-acre wheat farmer, and we have many, many of them in Illinois, when they become, as I understand, 12-acre wheat farmers, yet will not be allowed to participate in the referendum. Is that correct?

Mr. HOEVEN. That is correct. The farmers whose exemptions have been reduced from 15 to 12 acres will not be eligible to vote in the referendum. The only one who can vote is the one who plants more than 12 acres, if he has an allotment and is willing to pay a marketing quota penalty if he overproduces.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. BASS of Tennessee. Does not every farmer who now votes, vote under this legislation?

Mr. HOEVEN. The present law still applies, and the 12-acre farmer does not vote. I think that is one of the glaring faults of this bill. The bill does nothing for the small-sized farms. The 12-acre farmer is disfranchised. The situation is just as it is in the present law.

This conference report, if adopted, would drive us to programs which would involve us in even greater trouble than the present one. Let us not prescribe for a sick patient another dose of what caused the illness in the first place.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Speaker, the House last Friday approved a good wheat bill. It would have reduced surpluses, cut the costs of the wheat program, and yet would have maintained farm income at a decent level in comparison with the rest of our Nation's economy.

The House wheat bill as reported out by our Committee on Agriculture would have reduced our wheat surpluses by about 200 million bushels. It would have saved more than half a billion dollars in Government outlays, and it would have avoided increased surplus problems for feed-livestock producers. Our House wheat bill would have provided 90 percent of parity in return for a 25-percent cut in acreage allotments and without cross compliance.

I know this would have been workable legislation. I know that our Nation's wheatgrowers would have accepted the measure, even though it called for substantial sacrifices. But we were willing to make those sacrifices in order to further the national interest.

I would like to highly commend our Committee on Agriculture and its able and distinguished chairman, the Honorable HAROLD COOLEY, for bringing out this legislation. Further, I think we should pay high tribute to the Wheat Subcommittee chairman, the Honorable CARL ALBERT, and his vice chairman, the Honorable PAUL JONES. They all did a grand job.

Unfortunately, the conference committee this week was forced to largely accede to the Senate position so that the proposal now before the House makes a demand for still greater sacrifices on the part of our Nation's wheat farmers.

In my opinion, the conference report now before us is little better than the

original Senate bill that we had hoped would be improved.

The conference report has the proposal that we further slash the farmers' income after that segment of our population has had years of steadily declining farm income in the face of constantly rising costs. It would cut farmer income around 10 percent in 1960.

Whereas those who work for wages or salaries and get fringe benefits now have a share of the national income at the highest level in our Nation's history the farmer's share now is less than half of what it was only 13 years ago. There are 4,810,000 farm families in the United States, and the income per family, I repeat, per family and not per person in that family, is only \$2,947. Even with a gross of \$10,000, a farmer makes net after costs no more than most local schoolteachers, and not as much as skilled labor—often less than common labor—despite his large investment.

Wheatgrowers have been falsely getting a lot of damnation of recent years concerning the price of bread. Yet, if a farmer in Kansas gave away his wheat we would still pay 17½ cents for that 20-cent loaf of bread.

It is with the greatest reluctance that I shall vote for the conference report as the lesser of two evils.

In the event that this House does turn down this conference committee report, I would hope that the conferees could then prevail upon the Senate conferees to agree to something about on the order of the House bill which this body, in its wisdom, approved last week.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Speaker, the wheat bill passed by the House of Representatives was in the national interest. Under the House version, production was cut by 14 million acres. That was a drastic cut, but it was a realistic move to attack the surplus problem. In order to compensate the farmer for his loss of production, 90 percent of parity was reinstated, and payment in kind provided. Such a cut without an increase in supports would be disastrous to the farmers.

The Senate, on the other hand, passed a wheat bill which, under the highest graduated scale, provided for a 20 percent cut in acreage but provided only 80 percent supports. Such a bill was entirely unsatisfactory, since it drastically reduced farm income and, at the same time, did not go as far as the House bill in meeting the surplus problem.

The conference committee has in essence agreed to the Senate version, when it adopted the 20 percent cut and 80 percent support version. This would require the farmers in North Dakota to accept an acreage cut of 20 percent with but a 5 percent increase in support price. This would mean a drop of 10 percent to 12 percent in farm income. This would mean that farmers, having suffered the results of falling prices these last 6 years, and having been caught in a cost-price squeeze, would now be asked to reduce their income by another 10 percent to 12 percent.



I was not sent to Congress to reduce the income of farmers. I cannot, therefore, accept the conference report. It is my opinion that if the conference committee version which is, in the main, the Senate version, were to become law, thousands of farmers in the Middle West would become bankrupt, and many would join the ranks of the unemployed in the cities.

I therefore urge my colleagues not to concur in this report.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Speaker, the House passed a reasonable wheat bill. It provided a sufficient cut in acreage to insure that production would be below annual consumption, and help reduce the surplus. It provided a modest yet reasonable protection of income for the small farmers, and also provided a limit on support to large operators.

It further provided the farmers with a fair alternative choice by vote between a program of reasonable controls with reasonable prices and a program of 50 percent of parity support level with uncontrolled output.

I deeply regret the action of the Conference Committee. This bill cuts wheat farm income by 9 percent. The small operators in my district cannot stand this lowering of income.

I think people are entitled to have us take steps which will guarantee to reduce the surplus in the face of the high cost of carrying it. The conference report may have the effect of not reducing surpluses at all.

I hope the House will support this position and that the Conference Committee will bring back a bill that will keep faith with the interest of the farmers, as well as the interest of the taxpayers by further increases in support prices compensated by further cuts in production.

Mr. HOSMER. Mr. Speaker, will the gentleman from Texas [Mr. POAGE] yield to me?

Mr. POAGE. I yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, there are a number of us who would like to vote against all of these bills, but we are not going to have a chance to do that on this vote or any other vote in this session?

Mr. POAGE. I hope not.

Mr. HOSMER. I thank the gentleman.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, since I represent one of the largest wheat producing districts in the Nation, I feel I must make a few remarks in regards to this conference report.

It is my belief that in passing H.R. 7426 last week the House did a good job. I believed then, and I still believe, that we passed a bill that was good for all Americans.

For the taxpayer, it meant a reduction of more than one half billion dollars during the next 2 years in the cost of the program. It also meant that a sig-

nificant part of our wheat surplus would be used up.

For the wheat producer, H.R. 7426 meant that his income would be protected during this difficult transition period while the surplus is being whittled down.

Mr. Speaker, I cannot agree to this conference report because it does not give the wheat farmer the protection he must have to survive in a period when his income is going down and the costs of operating are going up.

This conference report, by reducing the support level from 90 to 80 percent of parity, cuts the income of the farmer too much. It means a reduction in income of approximately 10 percent.

Under the formula in this conference report, farmers would have in my district \$150 to \$200 less income from a quarter section of land.

It is true that acreage would be reduced 20 percent instead of 25 percent as provided in H.R. 7426. But a 20 percent reduction in acreage, together with only a slight increase in the support level, adds up to substantially reduced income for the farmer.

Wheat farmers in my area accepted H.R. 7426. They realize that the present surplus of wheat must be reduced. They realize, as I do, that the only practical methods for reducing the surplus are to reduce production or find new uses for wheat. Certainly no wheat farmer wants to lose the use of part of his land, and he cannot afford to lose the use of his land unless he is compensated in part.

H.R. 7426 would have reduced production. It would have saved substantial sums for the taxpayers. And it would have given adequate income protection to the wheat farmer.

However, I submit, Mr. Speaker, that this conference report calls upon the wheat farmer to share too much of the burden in achieving a reduction in production and in the wheat surplus. I seriously doubt the ability of wheat farmers in Kansas to absorb a reduction of \$150 to \$200 per quarter section of land and remain in business.

The Wheat Subcommittee of the House Agriculture Committee worked long and hard in writing H.R. 7426. We heard witnesses from every wheat producing section, including the National Association of Wheat Growers and the Kansas Association of Wheat Growers. We produced a bill that was fair to everyone.

I regret very much that the House conferees accepted the conference report which is before us today. I cannot, as the representative of a wheat producing area, accept this conference report or vote for it.

If I did, I would be voting against the best interests of wheat producers in my district who, I am sure, will be hard-pressed to operate successfully under the provisions of the conference report. Therefore Mr. Speaker, I am opposed to this conference report.

Mr. POAGE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I agree with the gentleman from Oklahoma

[Mr. ALBERT] that this is a compromise bill. It is a compromise at the expense of the right to vote of the small wheat farmers of America. I say this is too much of a compromise.

When the bill was before the House for consideration, the House adopted an amendment to an amendment which I offered to give all wheat farmers of America the right to vote in a wheat referendum. The amendment to my amendment, offered by the gentleman from Oklahoma [Mr. ALBERT] provided that the right to vote would be given to all wheat farmers if they stayed within their allotment. The House agreed with that amendment and adopted it. I say that the amendment was a gain for the small wheat farmers of America. By virtue of this compromise that the gentlemen from Oklahoma is asking the House to adopt today, they have lost that right to vote.

I say that wheat farmers, regardless of how large or how small, should have the right to vote in America. We should not have different rules for different commodities raised in America. For example, the tobacco farmer, regardless of the size of his allotment, is allowed the right to vote in America. I say we have been discriminating against the small wheat farmer in America by denying him a right to vote. As long as he stays within his allotment he should be entitled to the right to vote.

Mr. Speaker, I urge that the Members of the House go on record against this compromise and for the right to vote for the small wheat farmers of America.

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

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

Mr. LEVERING. Mr. Speaker, I voted in favor of the House bill last week because I thought it contained some important provisions, which if properly administered, might solve our No. 1 farm problem. It was far from a perfect bill, but I felt it would reduce the cost of the wheat program to the taxpayers of the country, and that it would reduce the mounting surplus of wheat, all without injury to the farmer or to the consuming public. I supported it too because it provided that which the farmers in my district have wanted for years—the right to vote on whether they want or do not want a farm program.

I rise at this time to associate myself with the remarks of the gentleman from Ohio [Mr. LATTA], with reference to the fact that when the conference committee struck out the right of the small farmer to vote in a wheat referendum, it acted against the interests of the small wheat farmers of Ohio and the Nation.

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

Mr. LATTA. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, when this matter was under debate on the floor of the House on the House bill, my very good friend, the Majority Leader, undertook to chastise the Republican Members for being for the big fellow and never for the small fellow. It

looks this time like the shoe is on the other foot. The conference committee action here takes away the right of the small wheat farmer to vote which, in my opinion, is a bad situation.

Mr. LATTI. I agree with the gentleman.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LATTI. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. May I note that most of the wheat farmers who are producing on 12 to 15 acres are not making their primary income out of wheat and I do not think we should use them to confuse the situation.

Mr. LATTI. In answer to the gentleman's statement I would like to say it does not matter, in my opinion, as to whether he is making his primary income from wheat or whether it is used in a proper rotation of his crops, as is done in the State of Ohio.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I would like to inquire of the chairman with respect to one particular aspect of this bill. Several weeks ago the gentleman from New York [Mr. TABER] introduced an amendment which limited the payment or loan to any one farmer to \$50,000. I understand that figure was subsequently reduced by conference. Is there any provision in this bill which limits the payment or loan to the farmer to any particular figure and, if so, how much?

Mr. POAGE. This bill has a limitation of \$35,000 to any one individual farmer or corporation.

Mr. SANTANGELO. In other words, no farmer, no matter how many bushels he produces, can obtain from the Commodity Credit Corporation a reimbursement of more than \$35,000?

Mr. POAGE. Not only is there a limitation on the size of the loan made to any particular farmer; it is at the lowest level. It is less than I thought desirable, but I think the House expressed itself on that issue, and this compromise contains the limitation the House heretofore approved.

Mr. HOEVEN. Mr. Speaker, if the gentleman will yield, this \$35,000 limitation applies only to wheat.

Mr. SANTANGELO. We are talking about the wheat bill now.

Mr. POAGE. We have nothing before us except the wheat bill. We could not act on any other commodity in this bill. We do retain the minimum limitation approved by the House last week.

Mr. SANTANGELO. I thank the gentleman.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. BASS].

Mr. BASS of Tennessee. Mr. Speaker, my friend from Iowa and the other Republicans who have taken the floor against this wheat bill today have expressed the "Republugin" philosophy.

Now, I want to spell that word "Republugin." R-e-p-u-b-l-i-a-g-i-n. It is synonymous with "Republican Party". They are "agin" public housing; they are "agin" aid to airports; they are "agin" aid to depressed areas; they are "agin" water pollution control; they are "agin" the tobacco bill; they are "agin" the wheat bill; they are "agin" the farmer in general; in fact, I do not know of anything in the world they are not just plain "agin," except for raising the public debt and interest that the poor man has to pay on borrowed money. Now they bring up this bugaboo about the farmers not voting in the wheat referendum. The wheat bill was written in 1938, 21 years ago; in fact, it is an adult this year; it has come of age, and this is the first time they ever worried about him voting, just because he happens to be 21 years old, and they cannot think of any other good reason to oppose the bill before us today.

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, the bill before us today is a lot worse than the bill that was passed by the House just the other day. How anybody, whether they voted for or against the bill that passed the House, could ever vote for this bill I do not know. It does many things that are bad. One has been mentioned before: It denies the right to vote by those people who have traditionally been raising up to 15 acres of wheat and are now cut back to 12 acres of wheat, unless they happen to have an allotment of between 12 and 15 acres. So, it actually denies some people the right to vote on whether their acres should be reduced or not.

Secondly, it offers no protection whatsoever if the farmer should vote out quotas. Now the wheat farmers have a chance to decide whether they want quotas or not by a referendum held each year. If you support this bill, it means that you want those farmers to have no protection whatsoever if they vote out those quotas. If they vote out those quotas and do not stay within their allotments, they would get no price support whatsoever and the 1.3 billion bushels of wheat now in storage would be thrown on the market for 52.5 percent of parity. It would completely ruin the wheat industry in this country, to say nothing of the total feed-grain industry.

Another thing, this bill would not cut back on the surpluses that are now burdening the Federal Government and it would not cost the taxpayers less money. Now, if that is not an indictment against this program that we are attempting to pass today, I do not know what it is.

The bill that we passed the other day did not satisfy me, and I offered a number of amendments which would have made it better. I think we must come to the conclusion that we should offer the farmers of this country a choice, because we cannot agree amongst ourselves. We should give them a choice between freedom to plant all they want and give them only the price support necessary to protect their income, or else give them a high price support and the

controls necessary to make it work. Anybody that says 80 percent is as high a price as the farmers should receive does not know what he is talking about. The amendments I wanted to offer the other day would have provided the necessary controls to make that higher price support work, and then the program would have been beneficial and been a good and just bill. But, today all the rights of the wheat farmers were compromised away, and I never could support a bill of this nature.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, with reference to the right of the small grower to participate in a referendum, this bill does not change existing law. If you defeat this bill, no farmer who plants under 15 acres will have that right. If you pass this bill, you will enfranchise 94,000 growers between 12 and 15 acres. This is a more democratic bill than present law. The issue here is between this bill and present law and not anything else. The statement of the gentleman from Minnesota [Mr. QUIE], if I understood him, to the effect that this bill disfranchises somebody simply is not true.

Mr. Speaker, every grower, large or small, under every program that I know anything about who is subject to marketing penalties is given the right to vote. This bill gives every such grower the right to vote. It does not change the law. Any grower who is under marketing quotas has the right to vote. There is not any question about that either in existing law or in this conference report.

This is a compromise between the House and the Senate bill. It is a good compromise on that point, and every Member of this House should not be deluded by the propaganda which Secretary Benson has sent down here in opposition to this bill. The question before those of you who come from farm districts is: "Do you believe in the House Committee on Agriculture or do you believe in Secretary Ezra Taft Benson?"

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Speaker, I think that the decision that we are going to have to make in a few minutes will be the hardest decision that those of us from farm States will have to make in a long, long time. Either way that we decide we are going to disappoint a lot of sincere people in our States who look to the Congress for leadership. But unfortunately or fortunately, as the case may be, we cannot qualify a vote. It is either yes or no. And for that reason I want to explain why I have decided, after a great deal of soul-searching to vote in favor of the conference report.

It represents a great disappointment to me that we lost the fine bill that was passed here in the House of Representatives a few days ago. That was a bill which would have maintained wheat prices at 90 percent of parity, reduced production by 480 million bushels and costs of the program by \$500 million. The bill also contained my amendment limiting price-support loans for any one producer to \$35,000. I wish that bill



which we passed had not been blocked by the Senate conferees. I am not satisfied with the substitute bill before us but if we turn it down, I fear we are inviting a continued buildup of wheat surpluses which may lead the public to demand an end to our entire price-support program.

The bill that is now before us means a drop in farm income to wheat farmers all over the country. It would result in a drop of somewhere between 7 and 10 percent. But on the other hand if we encourage by the defeat of this bill the continuance of the buildup of wheat surpluses, it is entirely probable that we will lose the entire price-support program. To me that would be the greatest disaster that could happen to American agriculture.

What we are confronted with here today are the sad results of the very bad leadership that we have had from the Department of Agriculture. Secretary Benson has undercut everything that we have attempted to do. Large sections of the public have been poisoned against constructive farm legislation of any kind. It is my hope, whether we pass or defeat the measure before us, that the Committee on Agriculture will, sometime before the end of this session, come up with a comprehensive farm bill that will respect the interests of the farmers, the taxpayers and the consumers; and that it will be the kind of a bill that will win overwhelming support here in the House. I intend to continue to fight with all my strength for a better break for the American farmer. The efficiency of our farmers is the envy of the world and these hard-working citizens are entitled to a fair return on their labor and investment.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

Mr. DAGUE. Mr. Speaker, I am one of the conferees who did not sign this report. I believe it is definitely not the solution to our present problem.

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

Mr. DAGUE. I yield to my colleague from Ohio, Mr. LATTA.

Mr. LATTA. Mr. Speaker, I think the play on words that has just been made by the gentleman from Oklahoma [Mr. ALBERT] concerning who has the right to vote and who does not have the right to vote under this bill and under the present law should be cleared up. Under this bill as reported by the conference committee and under the present law, a small wheat farmer below 12 acres would not have the right to vote, notwithstanding the fact that he stayed within his allotment. He is not subject to marketing quotas in either case so let us not attempt to confuse the other Members of the House.

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

Mr. LATTA. I yield to the gentleman.

Mr. POAGE. Do they have the right to vote now?

Mr. LATTA. They do not now have the right to vote under the existing law and that is exactly what the House gave those small farmers on last Thursday and that is what the conference committee took away from them.

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

Mr. DAGUE. I yield.

Mr. HALLECK. Let me just say that in my time here I have seen conference reports voted down and subsequently good legislation has been brought forward and enacted into law. So if this conference report is defeated here today, certainly no one can say that subsequently good legislation could not be enacted. This is a congressional responsibility at this point. So far as I am concerned, I do not think we should get the Secretary of Agriculture mixed up in it too much because at this point it is a congressional responsibility, and a continuing responsibility. If this conference report is voted down, then subsequently good legislation can be enacted.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. POAGE. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, the gentleman from Oklahoma has correctly stated the issues. You do not have a choice here of voting for this bill or the bill that you want. The bill that you want is not before the House. It is not going to be before the House. There is no one in this House who can write the bill that you collectively want because no one can say what the House wants. There are too many different ideas. What you do have is a choice between this bill and the present expensive program. If you want to continue to pile up surplus wheat, you will vote against any change. We have just heard some complaints about who should vote in this referendum. There is not a man who has complained who has offered any practical way of working that out and there is not a man who has complained who has voted for practical legislation to reduce the surplus of wheat. If you want to reduce the surplus of wheat, you have a clear opportunity to do it by voting for this report.

I am speaking to the gentlemen on my side of the aisle, on the Democratic side, because we are not going to get one vote from the other side of the aisle—maybe we will get one or two from the great wheat-growing States—I hope we may. But, we are not going to get a half dozen votes on the other side of the aisle. I want you people on this side to know that. I want my Democratic colleagues to know that if we are going to have a wheat bill that reduces the surplus, if we are going to stop the drain on the Treasury in paying for this unwieldy surplus, we are going to do it by adopting this conference report this morning. This is all there is. You are going to have your choice now in just a few moments. You are going to be called upon to go on record and vote.

Now what can you vote for? You can vote for the conference report which will materially cut the production of wheat. There is not a man who has denied that this report would materially reduce production. On the other hand, we have had some people complaining about this report because they felt that we went too far and cut the supports too much. I, myself, feel that it would have been

better to give a higher support. I favored a higher level of support but this was the best we could get. The other body, and many Members of this body, wanted an even lower level, but no one has questioned the fact that this report would reduce production. If you seriously want to check overproduction, then vote for this report.

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

Mr. POAGE. I yield.

Mr. ALBERT. With reference to the question on the right to vote that was in the House bill, do you recall anyone voting for the House bill who has complained about that?

Mr. POAGE. No, sir; those who complained so bitterly this morning had their opportunity and they did not vote for what they now say they want.

But back to the report. Do we need a cut in wheat? I do not think anybody will deny that we do. I do not think the most extreme person will deny that we need a substantial reduction in the production of wheat. This bill gives you a reduction of 11 million acres plus whatever reduction there is involved in the reduction of the exemption from 15 to 12 acres. I do not know how much of a reduction that will amount to. But we have heard enough talk on the subject to assume that it will amount to a great deal. But whatever it is there will be more than 11 million acres of wheat taken out of production. Do you think that the taking out of production of 11 million acres of wheat will have a drastic effect upon the production? Oh, they tell us that farmers will add fertilizer. Where will they add fertilizer? They are already fertilizing all over the East and you and I know it. How many of you who live in that western country where they grow the great volume of our wheat would spend one dime putting a load of fertilizer on your wheatland when you do not know the moisture conditions? The experts told the committee that they felt that they could not see any substantial increase in the use of fertilizer at this time.

Mr. BERRY. Mr. Speaker, will the gentleman yield for a question?

Mr. POAGE. I yield.

Mr. BERRY. I would like to have the gentleman explain to the House what the two issues will be on this referendum. Will it be 80 percent of parity providing they reduce their acreage by 20 percent? Or 50 percent of parity without limitation? Is that essentially correct?

Mr. POAGE. That is exactly right.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a correction?

Mr. POAGE. I yield.

Mr. ALBERT. No; the issue here is 80 percent of parity with a 20 percent cut, or 50 percent of parity for co-operators only.

Mr. BERRY. That is right.

Mr. POAGE. That is correct, but the gentleman was saying that if after this bill is passed it goes to a referendum of the wheatgrowers, the wheatgrowers can accept the program this bill provides which is 44 million acres with 80 percent support, or they can vote down quotas; and if they vote down quotas and stay

within their allotment they get 50 percent support.

If the individual does not comply with his allotment he gets nothing.

I think the choice which is available to the farmer is a fair one, but the choice to the American people, that is the big thing here before us right now; it is your choice. Are you tired of paying these tremendous sums for storing wheat that nobody needs? If you are you must vote for this bill, because if you vote against this conference report you have voted to continue the present program of 55 million acres of wheat each year with Government support at 75 percent of parity on that entire production—a production several hundreds of millions of bushels in excess of our needs.

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

Mr. POAGE. I yield.

Mr. COAD. What happens if this bill is sent back to conference?

Mr. POAGE. You will probably get no bill. I gave my opinion a while ago. You have got one chance, and it is now, within the next 5 minutes to vote for this bill or get no bill. There is no use talking about doing something else; there is no alternative except what is going to be before you on the vote. You have got to face that issue, every one of the Members here, Mr. Speaker, has got to face that issue, and you have got to face it now; and your vote is going to be whether you are in favor of continuing a known and admitted wasteful program, a program that nobody supports; or are you going to join hands with the farmer, ask him to make a cut of 11 million acres, 20 percent of every acre that he grows in return for an increase in supports of only 5 parity points. Surely the farmer is making a substantial sacrifice.

And, you Members from the large cities please remember this: That is the equivalent of asking a workingman to work 1 less day a week. It is exactly the equivalent of saying to the workingman that he must give up 1 day every week in order that the work may be spread and that he may receive a living wage. That is what we are asking the farmer to do. We are not asking for him to get a dollar an hour; we are asking for him to get only 80 percent of a fair price for the 4 days he has left. How can you do less for any fellow man?

Are we asking too much? Are we exorbitant in our request? We are asking that you stay with us to give this farmer a chance to make a sacrifice of one-fifth of all the wheat he grows and get an increase of only five parity points. I want to ask my Republican friends: Are you going to veto this bill for a nickel? That is what they are threatening us with—a nickel veto.

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

Mr. POAGE. I yield.

Mr. ABERNETHY. I think most of the Members of the House, want to try to do the right thing about this program. As to those who want to continue the tremendous losses and the tremendous buildup of wheat, would not

the thing for them to do be to vote "no" against this report, to vote against it?

And those who want to continue the tremendous loss of the Commodity Credit Corporation should do likewise?

Mr. POAGE. Yes; but I cannot imagine anyone wanting to do that.

Mr. ABERNETHY. Is it not also a fact that if they want to cut production 20 percent and reduce the losses to the Commodity Credit Corporation proportionately as well as reduce the surplus would not they follow through on their objective by voting for the conference report?

Mr. POAGE. They certainly would, because this will cut production.

Mr. ABERNETHY. Is it not also true that we have not had too much cooperation from the minority in bringing out any kind of wheat bill?

And is it not a fact that when this Congress ends we are going to be confronted with statements from those on the other side of the aisle: "You had control, you had a chance to do something and you have done nothing." And is it not also true that the gentlemen on the other side of the aisle have contributed materially to the confusion that exists in the hope we will not do anything?

Mr. POAGE. I would say that is a fair conclusion, although I would not want to draw it.

Now, just a word to those who have not already closed their minds. I am talking to those who have an open mind, who might be interested in doing something for the taxpayers, who might be interested in doing something to save this country from the tremendous surplus of wheat that exists. If you want to do that you have the opportunity this morning, by adopting this report. Remember, if you vote against this report you vote to keep 55 million acres in production.

This compromise does not go as far as I would like to go. I would like to make it a 25-percent cut and I would like to pay our farmers more; but it does go a long way in the direction that every one of us has publicly said we want to go. Now, vote the way you said you wanted it to go.

The SPEAKER. The time of the gentleman from Texas has expired.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the Record on the bill under consideration.

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

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I oppose the conference report because everything I have heard here today indicates that nobody thinks this is a good bill. It is hard to recall a time when a piece of legislation was presented with as much confusion as this so-called compromise. The people of my district want a realistic, constructive, and workable program and certainly this legislation will not accomplish these objectives. I hope the Agriculture Committees of both

bodies will present such a program in the immediate future.

Mr. GUBSER. Mr. Speaker, the following statement of Secretary Benson tells, in a nutshell, why this is a bad bill and should be defeated. I heartily endorse it and urge my colleagues to do likewise:

#### STATEMENT OF SECRETARY BENSON RE PENDING WHEAT BILL

The conferees' wheat bill would continue programs harmful to farmers and unfair to every taxpayer.

It would mistakenly perpetuate the basic elements of a wheat program that has created the very problem Congress is now struggling to solve.

The bill would intensify rather than improve the wheat crisis.

The bill moves in the exact opposite direction from which history proves we should be going. It tells farmers to increase their yields per acre because the Federal Government will support the price at an even higher rate than helped to stimulate the present vast surpluses.

The bill contains a 20-percent wheat acreage reduction which is practically meaningless when combined with the increased price incentive which will stimulate larger production on remaining acres.

The bill is harmful to farmers. It perpetuates the inequities of a wheat program that denies acreage to the efficient producer and encourages the inefficient wheat producer to greater production efforts that further aggravate the wheat surplus problem, both from the standpoint of quantity and quality.

At a time when the Nation is shocked with the expensive wheat program, the Congress now considers a bill that is even more costly.

American farmers do not want to be saddled with the impossible chore of defending such an expensive program. Taxpayers on the farms and in the villages and cities of this Nation have a right to object to such fiscal irresponsibility.

This bill does nothing to give small family-sized farms a vote in a wheat marketing quota referendum. Tobacco farmers with one-tenth of an acre allotment are allowed to vote on their programs but wheat farmers with as much as 15 acres are not permitted to vote.

This bill imposes additional restrictions on farmers when the nationwide cry among farmers is for more freedom.

This bill is unsound, unjust, unrealistic, and unwanted by farmers and other taxpayers.

The House should reject it today and commence work on a wheat bill that is reasonable, realistic, and beneficial to farmers of the Nation.

Mr. BROOMFIELD. Mr. Speaker, the wheat bill arrived at in conference and which is before us today for consideration will not begin to solve any of our major farm problems. In addition, it will continue and expand a program which has imposed undue and unnecessary restrictions on our farmers, robbed our taxpayers of billions of dollars annually and priced food products out of reach in many instances.

It will make our farm situation worse, not better. At a time when we should be moving toward less controls and more reliance upon the law of supply and demand, we find we are presented with a measure which will increase our surpluses, cost us more money and tie the farmer hand and foot with red tape and bureaucracy.



We should be moving in the direction of curing our farm ills, not providing a crutch which can only lead to further weakening of the sinews of our farm economy. We should start abolishing controls and price supports and permit our farm goods to compete on world markets. This is the only way we are going to get rid of our mounting surplus stocks of wheat and other crops.

This bill will not accomplish what it is supposed to do. Wheat farmers will simply grow more wheat on fewer acres if this proposal is permitted to become law. Our agriculture expenditures are going to continue to increase, gobbling up ever-growing amounts of our Federal budget, wasting tax dollars at a time when we can use every dollar we can get, stifling freedom with the excuse that a nebulous security can be achieved.

Our farmers do not have to be coddled. Our taxpayers do not have to be milked. Our consumers do not have to be squeezed by higher prices. Why do not we admit that our farm support program has been a colossal multibillion-dollar failure and take steps to get rid of it?

When we start moving in the direction of free market conditions for our farm products, we will start seeing some end to this problem. We will see our crops become increasingly important in world trade and greater consumption of these goods in our domestic market.

I urge my colleagues to join with me in defeating this bill and give the conference committee another opportunity to draft legislation which will alleviate our farm program, not make it worse.

Mr. DORN of New York. Mr. Speaker, I represent a city district in which the people have been paying more and more for staple food. Bread prices have been on the rise. These people are sick and tired not only of paying higher prices for food, but of paying higher taxes in order to have the privilege of paying higher prices. They are hit doubly.

Some of us would not object to this legislation if it were really helping the small farmer. Statistics, and the information at hand, point to the fact that it is the large farmer who is being helped, especially in the wheat program. If the farmers and the professors in agricultural colleges, the farm organizations, and the U.S. Department of Agriculture have not, and apparently cannot, reach some sensible agreement with respect to a program which can be administered, and will, under actual trial, prove to be a reasonably effective solution, it is high time for the Congress to call a halt. I hope you will vote against the conference report.

Mr. ULLMAN. Mr. Speaker, I intend to vote for the wheat bill now before the House but I do so with the greatest possible reluctance. It is a most unhappy compromise but, unfortunately, it appears to be the only bill standing any chance of enactment.

Last Friday the House approved wheat legislation which I firmly believe marked a sincere and responsible approach to the wheat surplus problem facing the Nation. It called for a 25-percent cut in wheat acreage with a 90 percent of parity

provision. Major reduction in our wheat surpluses would have resulted from the bill's enactment.

Mr. Speaker, the bill approved by the House last week was not going to make the average wheat farmer a wealthy man. Enactment would have resulted in a substantial cut in the income of the average wheat farmer. If we take a 500-acre wheat farm as an example, assume a 30-bushel yield and take into consideration payment-in-kind, my figures show that the gross income of that farmer under the present program amounts to approximately \$7,515. The bill approved by the House last week would have cut that income to \$7,095. The bill before us today would further cut that gross income to \$6,722.

Mr. Speaker, when we recall the cost-price squeeze affecting all segments of agriculture and when we remember the large investment that any wheat farmer has in his farm operation, we soon find that the legislation before us today is far from satisfactory. It fails miserably to meet the problems of the small farm operator. That problem still remains unsolved and grows increasingly complex. It is my fervent hope that the 86th Congress will have a further opportunity to reconsider the problems facing American agriculture so that constructive action can be taken.

Mr. HOSMER. Mr. Speaker, previously I have spoken to this body regarding my four-point program to end the farm mess. The plan is to stop all farm subsidies now, hold a fire sale to get rid of our \$9 billion in surpluses costing \$1 billion a year to store, then use the proceeds to relocate small farmers who cannot survive without supports, to reduce the National debt, and to start tax reduction. I believe it should be of interest to this body to know that from the great farm area of our country mail is coming into my office approving this program, just as it is coming in from city areas. Further details will be found in the RECORD for June 9, at page 10325.

A letter from Northbrook, Ill., says:

As a taxpayer your four-point program earns my wholehearted support.

From Geneva, Ill.:

As a farmer owning and operating a farm, I wish to state that I am in accord with your four-point program to end farm subsidies.

From Elmhurst, Ill.:

You have the only plan that will work. I am writing my opinion to him (my own Congressman) in another letter.

From Glenview, Ill.:

We want free enterprise and your ideas will surely help make this possible.

From Chicago, Ill.:

Your four-point program to end the farm subsidy mess is the best thing I have ever heard of.

From Palatine, Ill.:

Hope you will continue to fight for free enterprise.

From a Chicago commodity broker:

Your program to end the farm mess deserves a letter of commendation from every taxpayer in the United States.

From another Chicago commodity broker:

Congratulations on your sensible and courageous stand on the farm problem, since grain marketing is my business, I know whereof you speak.

From another Chicagoan:

I certainly wish that all Congressmen would support this sensible view that you have proposed.

There are a lot of us here in the House that would like a chance to vote against all farm subsidies, I would like to know if we are going to have a chance to do so on the forthcoming vote, or at any time this session.

Mr. LATTA. Mr. Speaker, during the debate on the wheat bill, I mentioned that I would offer at the proper time the amendment to restore the 15-acre exemption for the small wheat farmer. I did so to forewarn the House that such an important amendment would be forthcoming. My remarks appear on page 10553 of the RECORD concerning my intention to introduce this amendment. Notwithstanding this fact, the chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY], moved that the debate on the bill cease before I had the opportunity to offer the amendment. Mr. COOLEY's motion to close the debate was agreed to. Due to the adoption of Mr. COOLEY's motion, I was unable to explain my amendment at the time it was offered, and it was rejected. My amendment to restore the 15-acre exemption appears on page 10557 of the RECORD. As a consequence, thousands and thousands of small wheat farmers in America will be forced to take a 3-acre reduction in their wheat acreage and will be deprived of much needed income if this bill becomes law.

Mr. MCGINLEY. Mr. Speaker, the wheat farmers of my western Nebraska district are well aware that the surplus stocks of wheat now in storage and now under production are a detriment to their own security in a sound wheat market. They are aware, too, of the increasing Government costs and the administration of the surplus storage. It is a bitter irony for the Nebraska farmer, who cherishes his independence, that he is forced to look to the Federal Government for market security against an avalanche of commodity production which our great natural resources can provide in fiber and food.

The problem is, as everyone knows, growing more serious each year, and under the planned attack by our national publicity media, the farmer continues to lose public prestige in the face of increasing crises in their threat to his way of making a living.

Realizing this predicament, most wheat farmers in my area are willing to make sacrifices by cutting down further on their acreage production and thereby to diminish the surplus.

With this willingness to accept acreage cuts, expressed through their farm organizations, the farmers can rightfully expect the wheat program to compensate them with higher support prices. In spite of propaganda to the contrary, the adequate support price is the only

medium the Government has to induce the farmer to comply with controls that would effect decreasing production. Higher support prices for wheat are not synonymous with higher food costs. Higher support prices do, however, promise the surety of decreased production, decreased administration costs of the wheat program, and increased financial security to the farmer rather than the middleman who is the chief beneficiary today of the high Government cost of storing farm surpluses. H.R. 7246, which in 1 week had passed the House and suffered a defeat in approval of the conference report, definitely was a moderate and helpful approach toward a change of departmental policy which, although not the sole cause of the wheat crisis, has greatly contributed to the magnitude of the crisis.

Like many others from the western wheat region, I did not believe H.R. 7246 was anything more than stopgap legislation. More effective legislation has been introduced but the red flag of the administration had been raised against it. Therefore I commend the Agriculture Committee for its sincere efforts in issuing a moderate proposal. This measure would not have been financially beneficial in the immediate 2-year period to the farmers of my district, but it represented a step toward some solution to his ever-growing surplus.

I regret that at the time the House voted on H.R. 7246 I was committed to an appearance in my State. Had I been present, the bill would have had my favorable vote. I voted for the conference report with considerable reluctance but in the spirit of offering a bill that would have cut our excessive surpluses.

Mr. POAGE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered. The SPEAKER. The question is on the conference report.

Mr. HOEVEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 214, not voting 18, as follows:

[Roll No. 91]

YEAS—202

Abbitt	Brock	Dowdy
Abernethy	Brooks, La.	Downing
Albert	Brooks, Tex.	Doyle
Alexander	Brown, Ga.	Durham
Alford	Brown, Mo.	Edmondson
Andersen,	Buckley	Elliott
Minn.	Burke, Ky.	Everett
Anderson,	Burleson	Evins
Mont.	Cannon	Fascell
Andrews	Carnahan	Fisher
Anfuso	Carter	Flood
Aschmore	Casey	Flynt
Aspinall	Chelf	Foley
Bailey	Coad	Forrester
Barden	Colmer	Fountain
Bass, Tenn.	Cook	Frazier
Beckworth	Davis, Ga.	Gathings
Bennett, Fla.	Davis, Tenn.	George
Berry	Dawson	Grant
Boggs	Dent	Gray
Bolling	Denton	Green, Oreg.
Bonner	Diggs	Hall
Bowles	Dingell	Hardy
Brademas	Dollinger	Hargis
		Harmon

Harris	Mahon	Rogers, Tex.
Healey	Marshall	Roosevelt
Hébert	Matthews	Roush
Hemphill	Metcalf	Rutherford
Herlong	Miller,	Santangelo
Hogan	Clem	Saund
Hollifield	Miller,	Scott
Holland	George P.	Selden
Huddleston	Mills	Shelley
Hull	Mitchell	Shipley
Ikard	Montoya	Short
Jarman	Moorehead	Sikes
Jennings	Morgan	Sisk
Johnson, Calif.	Morris, N. Mex.	Slack
Johnson, Colo.	Morrison	Smith, Miss.
Johnson, Wis.	Moss	Smith, Va.
Jones, Ala.	Moulder	Spence
Jones, Mo.	Multer	Steed
Karsten	Murray	Stubblefield
Karsh	Natcher	Sullivan
Kee	Norrell	Teague, Tex.
Keogh	O'Brien, Ill.	Teller
Kilday	O'Hara, Ill.	Thomas
Kilgore	O'Hara, Mich.	Thompson, La.
King, Calif.	O'Konski	Thompson, Tex.
King, Utah	Oliver	Thornberry
Kitchin	Passman	Trimble
Kluczynski	Patman	Tuck
Landrum	Perkins	Udall
Langen	Pfost	Ullman
Lennon	Pilcher	Vinson
Lesinski	Poage	Walter
Libonati	Porter	Wampler
Loser	Preston	Watts
McCormack	Price	Weaver
McDowell	Prokop	Whitener
McFall	Rains	Wier
McGinley	Randall	Williams
McGovern	Reuss	Winstead
McMillan	Riley	Wolf
McSweeney	Rivers, Alaska	Wright
Machrowicz	Rivers, S.C.	Young
Mack, Ill.	Roberts	Zablocki
Madden	Rogers, Fla.	

NAYS—214

Adair	Derounian	Keith
Addonizio	Derwinski	Kelly
Alger	Devine	Kilburn
Allen	Dixon	Kirwan
Arends	Donohue	Knox
Ashley	Dooley	Kowalski
Auchincloss	Dorn, N.Y.	Lafore
Ayres	Dulski	Laird
Baker	Dwyer	Lane
Baldwin	Fallon	Lankford
Baring	Farbstein	Latta
Barr	Feighan	Levering
Barrett	Fenton	Lindsay
Barry	Fino	Lipscomb
Bass, N.H.	Flynn	McCulloch
Bates	Fogarty	McDonough
Baumhart	Forand	McIntire
Becker	Ford	Mack, Wash.
Bennett, Mich.	Frelinghuysen	Mailliard
Bentley	Friedel	Martin
Betts	Fulton	Mason
Boland	Gallagher	May
Bolton	Garmatz	Meader
Bosch	Gary	Morrow
Bow	Gavin	Meyer
Boyle	Gialmo	Michel
Bray	Glenn	Miller, N.Y.
Breeding	Goodell	Milliken
Brewster	Granahan	Minshall
Broomfield	Green, Pa.	Moeller
Brown, Ohio	Griffin	Monagan
Broyhill	Griffiths	Moore
Budge	Gross	Morris, Okla.
Burdick	Gubser	Mumma
Burke, Mass.	Halley	Murphy
Bush	Halleck	Nelsen
Byrne, Pa.	Halpern	Nix
Byrnes, Wis.	Hays	Norblad
Cahill	Hechler	O'Brien, N.Y.
Cederberg	Henderson	O'Neill
Chamberlain	Hess	Osmer
Chenoweth	Hiestand	Ostertag
Chiperfield	Hoeven	Pelly
Church	Hoffman, Ill.	Phillips
Clark	Hoffman, Mich.	Pillion
Coffin	Holt	Pirnie
Collier	Holtzman	Poff
Conte	Horan	Powell
Corbett	Hosmer	Pucinski
Cramer	Irwin	Quile
Cunningham	Jackson	Quigley
Curtin	Jensen	Ray
Curtis, Mass.	Johansen	Reece, Tenn.
Curtis, Mo.	Johnson, Md.	Rees, Kans.
Daddario	Jonas	Rhodes, Ariz.
Dague	Judd	Rhodes, Pa.
Daniels	Kastenmeier	Riehlman
Delaney	Kearns	Robison

Rodino	Smith, Kans.	Van Zandt
Rogers, Colo.	Springer	Wainwright
Rogers, Mass.	Staggers	Wallhauser
Rooney	Stratton	Weis
St. George	Taber	Westland
Saylor	Taylor	Wharton
Schenck	Teague, Calif.	Whitten
Scherer	Thompson, N.J.	Widnall
Schwengel	Thomson, Wyo.	Withrow
Siler	Toll	Yates
Simpson, Ill.	Tollefson	Younger
Simpson, Pa.	Utt	Zelenko
Smith, Calif.	Vanik	
Smith, Iowa	Van Pelt	

NOT VOTING—18

Belcher	Cooley	Magnuson
Blatnik	Dorn, S.C.	Rabaut
Blitch	Hagen	Rostenkowski
Boykin	Harrison	Sheppard
Canfield	Kasem	Willis
Cohelan	Macdonald	Wilson

So the conference report was rejected. The Clerk announced the following pairs:

Mr. Cooley for, with Mr. Harrison against.  
Mr. Willis for, with Mr. Wilson against.  
Mr. Rabaut for, with Mr. Belcher against.  
Mr. Cohelan for, with Mr. Canfield against.  
Mr. Magnuson for, with Mr. Macdonald against.

Mrs. Blitch for, with Mr. Dorn of South Carolina against.

Mr. Blatnik for, with Mr. Hagen against.  
Mr. Boykin for, with Mr. Rostenkowski against.

Mr. DENT and Mr. FOLEY changed their vote from "nay" to "yea."

Mr. DERWINSKI and Mr. BARR changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. ALBERT. Mr. Speaker, I move that the House insist on its amendment to the Senate bill and ask for a further conference with the Senate.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. COOLEY, POAGE, GRANT, ALBERT, HOEVEN, DAGUE, and BELCHER.

#### FURTHER MESSAGE FROM THE SENATE

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

H.R. 7349. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. ELLENDER, Mr. MAGNUSON, Mr. KEFAUVER, Mr. HAYDEN, Mrs. SMITH, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7453. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes.



The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. HAYDEN, and Mr. BRIDGES to be the conferees on the part of the Senate.

#### AMENDING MUTUAL SECURITY ACT OF 1954

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7500, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, there was pending the amendment offered by the gentleman from Alabama [Mr. SELDEN].

Without objection, the Clerk will again report the amendment offered by the gentleman from Alabama.

There was no objection.

The Clerk read as follows:

On page 6, line 2, strike out "\$800,000,000" and insert in lieu thereof "\$700,000,000".

Mr. CARNAHAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, when the Committee rose on yesterday there was pending an amendment on page 6, line 2, which would strike out "\$800,000,000" and would insert "\$700,000,000."

This item has to do with the Development Loan Fund.

I would like to call the attention of the members of the Committee to the fact that the Committee on Foreign Affairs gave very careful consideration to this item. The item was considered in connection with two other items in the bill.

This item was considered in connection with military assistance and with defense support. It was the aim of the committee in the action we took on these three items to show a shift in emphasis in the mutual security program.

We wanted, first, to show an emphasis in a shift from military assistance to economic assistance. The committee reduced the request for military aid rather substantially. We also reduced the request for defense support and we increased the request of the executive department for the Development Loan Fund. This request for an increase is rather meager. We increased the request by \$100 million and, as I said, we would like for this to show a shift in emphasis on the program from military assistance to economic assistance.

The Committee of the Whole has already sustained our committee in the first two items, that in military assistance and that in defense support. We sincerely trust that the Committee will now go the rest of the way with the Com-

mittee on Foreign Affairs and indicate this shift in emphasis from military to economic assistance by voting down the pending amendment, which would reduce the figure.

The Development Loan Fund was increased for another purpose. Aside from the fact that this item is justified on its own merits, it was increased to show that we would like to have a trend from grants to loans in this program. So many times here before the House the Committee on Foreign Affairs has been urged to shift from grants to loans. Now we are attempting to make such a shift. We hope you will sustain us in this shift. If we are ever going to get away from foreign aid by grants and shift to loans, we are going to have to give increased attention to the Development Loan Fund.

I urge, and the committee urges, that you now sustain us in the third item which indicates these shifts.

Mr. MERROW. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, we must keep in mind that one of the major postwar phenomena is the determination of people all over the world to improve their standards of living. There is much we can do to give this urge direction and meaning and even turn it to our advantage.

In adopting legislation to set up the Development Loan Fund are these words, "The progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. The Congress further recognizes the necessity in some cases of assistance to such peoples if they are to succeed in these efforts."

#### THE ECONOMIC FRONT

We are engaged in a worldwide struggle with international communism and therefore the necessity of passing measures for the defense of our own country and for the defense of the free world. In my remarks during the general debate on this bill we are now considering, I termed it "the second defense measure" to be acted upon by this House in the past few weeks. We are now discussing a most important section of the present defense measure which has to do with the economic development of various countries.

I am glad that we always approve practically unanimously the appropriations for the Defense Department. Military strength and preparedness are absolutely essential in preserving our freedom and the freedom of our allies, but I do not hesitate to say that in the long run the struggle in which we are now engaged will probably be resolved on the economic front. Therefore, the necessity of the Development Loan Fund.

For a long time, I have been of the opinion that we should provide at least a billion dollars a year to carry on the work of this Fund. I am pleased that the committee this year increased the Executive request by \$100 million and I hope that the House will sustain the action of the committee.

#### THE DRAPER COMMITTEE

May I call attention to the words from the report of the Draper Committee, appointed by the President to study U.S. military assistance. The Committee made a significant observation on the role of economic help in the following statement:

The fostering of economic growth throughout the free world presents a real challenge to the American people. Here is a positive goal which is consistent without long-term economic interests and at the same time provides an opportunity to further the free political development of other nations. This opportunity calls for a cooperative effort by the United States and other nations which can generate export capital. There is need for both public and private financing, and for multilateral and unilateral programs, with increasing emphasis on loans rather than grant aid.

The Committee further emphasized:

The proposed economic assistance program for fiscal year 1960 is the minimum needed. Material reductions in the total might well restrict the United States to a disproportionately military approach, and thus make the Communist economic offensive more effective. In fact, a level of lending for economic development under the mutual security program at a rate of at least \$1 billion a year will probably be needed for fiscal year 1961.

#### WHY THE DEVELOPMENT LOAN FUND SHOULD NOT BE CUT

The Foreign Affairs Committee added \$100 million to the Executive request of \$700 million for the Development Loan Fund. The committee added these additional funds because:

First. The committee wished to increase the emphasis on economic aid and these extra funds reflect the change in emphasis.

Second. The Development Loan Fund is a relatively new departure in foreign aid. It is based on loans instead of grants and it places Development Loan Fund assistance on a businesslike basis.

Third. The Development Loan Fund has done an outstanding job in assisting the less-developed countries.

Fourth. There is a need for increased help to the less-developed areas. The friendship of these areas is important to the United States and anything we can do to help them achieve economic development is in our own interest.

Fifth. If we do not assist these less-developed areas, there is a danger that the Russians may step into the breach, bringing with them possibilities of subversion and disruption.

Sixth. As of June 12, 1959, the Development Loan Fund had made commitments of \$765.5 million. The Fund's total availability to date is \$850 million. Consequently, the present capital of the Fund, capable of being used for new loans, is \$84.5 million. On May 31, 1959, there were loan applications outstanding of \$1,402 million. As of that date, the Fund had rejected \$889.5 million in loan applications.

#### DEVELOPMENT LOAN FUND NOT TAKING PLACE OF PRIVATE INVESTMENT

The Development Loan Fund, it should be stressed, is not taking the place of private investment. To the degree it is successful private investment will be successful. At the present time private

investment cannot do the task alone. Investors understandably feel that the risks in less-developed countries outweigh the gains. As economic development moves forward and political stability develops, private investment will find opportunities in those areas as attractive as they now find them in Canada and Western Europe.

Perhaps our people have become so accustomed to hearing about ill-conceived economic ventures abroad that they overlook the businesslike approach of the Development Loan Fund in discharging its responsibilities. The Fund acts only on specific development proposals which have been carefully screened to determine whether technically and economically they contribute to the productive growth of the country in which particular projects are located. Loans are made only on the basis of firm commitments by the borrower to repay and upon a finding that there are reasonable prospects for repayment.

The Development Loan Fund by law is something of a bank of last resort. Each financial transaction requires that certain determinations be made before a loan is advanced: Specifically, first, whether financing could be obtained in whole or in part from other free world sources; second, the economic and technical soundness of the activity to be financed; third, whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacity; and fourth, the possible adverse effects upon the economy of the United States with special reference to areas of substantial labor surplus.

The people who live in the less-developed areas are determined to achieve dignity, self-respect, and economic development. If we assist them, we will help ensure their friendship and understanding in future years. Furthermore, the United States has traditionally believed that less-fortunate people should be assisted. If we fail to help them, there is a real danger that instability and chaos in these areas will result and that the Russians will capitalize on this instability and chaos.

Mr. MATTHEWS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there are three main philosophies concerning the mutual security program. There is the philosophy embraced by those who are enthusiastic supporters of the program. There is the philosophy embraced by those who are enthusiastic adversaries of the program. There is the philosophy embraced by those who, like me, are reluctant supporters of the mutual security program.

Now, one reason I am a reluctant supporter of the program is because so many of my people are not for the mutual security program. I try to talk with them and plead with them to understand the reason I have voted for this program, and I hope with all my heart that they do understand it.

Mrs. CHURCH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The chair will count. [After counting.] One hundred and six Members are present, a quorum.

Mr. MATTHEWS. Mr. Chairman, I just said that I am a reluctant supporter of the mutual security program, and one reason I am is because so many of my people are opposed to it.

Now, I find it difficult to explain to them, for example, why in the mutual security program we do not have adequate methods of accounting that we should have. I cannot explain, as I would like to explain, why we have different rules for the economic justification of rivers and harbors projects than we have in these countries, and there are many other similar defects in this program, Mr. Chairman, that I cannot explain to my whole satisfaction to the wonderful people that I represent. But, I always come to the conclusion that this is the foreign policy of the United States of America, and even if it be a patched foreign policy, it is better than no policy at all. So, I suggest that if we do not have this policy, what particular policy can we have? I have said to my people that this is a gamble, but according to the best convictions that I have it is more of a gamble with money and less of a gamble with the precious blood of American youth.

Having said that I am a reluctant supporter of this program, Mr. Chairman, I reserve the right to vote for every amendment that will cut this authorization down to a more economical level. We talk about shifts from this to that. Yet we still have too much money in the program. We can have all the money we need without shifting to the right or shifting to the left, by voting for the amendment that the gentleman from Alabama [Mr. SELDEN] has offered. What did the gentleman tell us yesterday? He said that in this Development Loan Fund we have already appropriated, as I recall, about \$850 million. As I recall, the committee wants to give \$800 million in this bill, \$100 million more than the President of the United States requested. And, Mr. Chairman, his requests have not been minimum requests. According to the gentleman from Alabama [Mr. SELDEN] if the sum of \$800 million is approved as the committee recommended we would have \$884,500,000 in this Development Loan Fund or enough to process 60 percent of the \$1,400 million in applications that are pending. That would be a far more liberal record than we are able to have with the Small Business Administration of this country that processes loans, and they are hard money loans for the little businessmen of America.

Mr. Chairman, let me remind you of this, that these loans that we make from this Development Loan Fund, no matter how optimistic we are about them, at the very least are what we call soft loans.

Mr. Chairman, I want to say to the new Members who are here that 3 years ago we were told that if we did not authorize every dime that was requested in the mutual security program we would be faced with peril; we would be faced with destruction. Well, we did not authorize \$1 billion that was asked; \$1 billion was refused. We found at the end of that fiscal year that we had one-

half billion dollars remaining in the fund despite \$1 billion we refused. In other words, we appropriated \$1 billion less than was actually asked, and despite all efforts to spend the money there was a surplus at the end of the fiscal year of one-half billion dollars.

Mr. Chairman, I think that the amendment of the gentleman from Alabama [Mr. SELDEN] is reasonable. It cuts this appropriation down. It gives us all the shift we need on the economic aspects of this program.

Mr. Chairman, I hope the gentleman's amendment will be approved.

Mr. BOWLES. Mr. Chairman, I rise in vigorous opposition to the amendment. In the general debate, I suggested that the future of our country will depend upon our capacity in the coming years to accomplish two objectives.

We must create a military barrier so powerful that the Communist nations will not be tempted into overt aggression. The military assistance program and the defense support program which are part of this mutual security bill are critically important elements in this effort.

Yet it is folly for us to assume that a military barrier, in itself, will assure our future as a powerful and prosperous Nation. The world we live in will be increasingly shaped and ultimately decided by what happens behind our defense barrier.

We Americans are now spending something over \$45 billion every year on foreign policy programs connected in one way or another with the cold war.

Ninety-six percent of this sum goes to build our absolutely essential military defenses.

Only 2 percent of this expenditure goes into direct development loans and grants, designed to help build the conditions on which to create the gradually increased living standard within a framework of freedom which represents our best hope for peace.

Even if we add our imaginative new use of food surpluses through the Public Law 480 program, the total of our positive effort will be less than 4 percent of the total.

Let me repeat: 96 percent of our entire effort is going to build the military barrier against Communist overt aggression; while only 4 percent is going to create the conditions behind the barrier which will give the non-Communist people of the underdeveloped world a future worth fighting for and if necessary dying for.

Many observers assert that in the last few years the Communists have gained ground while our position has slipped. If so, it must be said that their gains have not come through military aggression, but through their skill in playing on the political forces which are now creating such revolutionary ferment throughout Asia, Africa, and Latin America.

Our own military strength and that of our allies is absolutely essential to our national security.

Yet communism may ultimately come to the Middle East, south Asia, and to other parts of the world—not because our military strength is inadequate to



keep out the Soviet armored divisions, but because the people in their poverty and frustration may be moved in their desperation to accept Communist political and economic leadership.

Let me discuss for a moment one single but important example.

All over Asia and indeed throughout the underdeveloped world, the principal topic of conversation is the economic and political contest between democratic India and Communist China.

These two great nations with more than one-third of the world's population between them, are tackling their economic problems in dramatically different ways.

Through totalitarian methods, including the use of savagely heavy taxes and the denial of all improvements in living conditions, the Chinese Communists have been able to save 25 percent of the annual output of the Chinese people to use as capital for future industrial growth.

Further to strengthen her efforts, Communist China has the full economic support of the Soviet Union.

As a democracy, India is competing under the most difficult circumstances. Although her tax system is by all odds the highest of any non-Communist country in the underdeveloped areas, her annual savings are much less than one-half that of China.

If India were to tax her people still heavier or to postpone any improvement in the Indian living standards, the result would certainly be a political explosion.

Yet if India fails to meet its minimum economic goals, the political situation there will become grave, and as other non-Communist countries, discouraged by India's failure, lose heart, the prospects for democracy from Casablanca to Tokyo will become dim indeed.

Mr. Chairman, India is only a single example of why we must have an adequate Development Loan Fund. This program represents the very heart of our positive efforts to help improve the prospects for freedom, not only in Asia but in Africa and Latin America.

Therefore I urge the defeat of this amendment.

Mr. Chairman, I now turn to a different but still related subject.

It is important, I believe, that we avoid the impression that the criticism which has recently been directed at certain aspects of our mutual security program in Laos reflects in any way on the present Laotian Government.

This small, strategically placed country with its long common frontier with Communist China and Communist North Vietnam, is now showing extraordinary courage in both its internal and external affairs.

The government of Phoui Sananikone, which was formed last August, has eliminated Communists from the Cabinet, completed a major monetary reform, and launched broad reforms to eliminate the corruption which had plagued its predecessors.

The decision to introduce the long postponed monetary reform in October 1958 was an act of particular political courage.

Some people had profited handsomely from the old exchange rate and the import licensing system. Others recalled with resentment and suspicion the abrupt but ineffective devaluation which the French had effected in 1953. Others felt that a question of their country's sovereignty and independence was involved. Still others had honestly concluded that devaluation would be economically unsound.

It was against this background that the earlier Laotian leadership had become convinced that devaluation was politically unacceptable.

After the Communist show of strength in the May 4, 1958, elections, the present Prime Minister made up his mind that monetary reform was necessary. Once his government accepted this necessity, it proceeded to push a monetary reform measure through the National Assembly in the face of strong opposition.

The success of monetary reform to date has vindicated this courageous decision. It should prevent further abuse in the commercial import program. It should insure the most effective use of all foreign aid. It should provide a stable currency as a basis for the national economy.

The present leadership of Laos is composed of men who have not hesitated to identify themselves ideologically with the democracies.

Their country has a population of only 2 million and an army of only 25,000, directly adjacent to the two leading Communist military powers in the Far East.

Communist North Vietnam, with a population of 14 million has a regular army of some 280,000. Communist China, with a population of some 650 million has an army of 4 million.

These two nations have applied tremendous propaganda pressure to Laos in an attempt to intimidate its people and its Government and thereby prevent it from taking strong measures against internal subversion.

But when an intensive propaganda barrage was launched against it, accompanied by actual violations of its frontiers, the new Laotian Government responded boldly by asking for and receiving extraordinary powers from its freely elected National Assembly.

Laos has declined to accept aid offers from the Communist bloc or to establish diplomatic relations with members of the bloc. Despite its peculiarly vulnerable geographic location, it has declined to recognize the Communist regime in mainland China.

In the face of intensive Communist subversive pressure and propaganda threats, it has rejected the temptation to abandon democratic procedures. It is constantly taking steps to improve the effectiveness of its governmental administration, while retaining its constitutional government based on universal suffrage.

In short, this small new country confronted by problems and dangers almost overwhelming in their complexity, is making a determined effort to unite all the democratic elements of its population so that they may maintain their

independence under the most difficult circumstances.

The brave efforts and the sacrifices which the people and the leaders of Laos have made since 1954, but most particularly in the past year under its new Government show them to be deserving of America's continued support and confidence. I believe that it is important that the record of these debates leave no room for doubt on this question.

Mr. PILCHER. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, this \$100 million reduction leaves it the same as the President authorized. They talk about this Development Loan Fund being a banking proposition or loan. This group of people have the right to lend money to any country or any corporation or any individual. By the same token they have the right the next week to cancel it. That makes it in one sense of the word a straight out grant. We are going to have a chance to vote on these cuts for years to come, according to a letter that the members of the Committee on Foreign Affairs received this morning from Under Secretary of State Douglas Dillon—and I quote:

The UNDER SECRETARY OF STATE,  
Washington, June 17, 1959.

The Honorable JOHN L. PILCHER,  
House of Representatives,  
Washington, D.C.

DEAR MR. PILCHER: Last week I used the occasion of a speech at Harvard to spell out my deep personal conviction that our mutual security program will involve a persistent effort over a period of at least 20 or 30 years, if we are to succeed in our efforts to help the newly developing nations achieve economic growth as members of the free world. I am enclosing a copy in the belief that you might find it of interest.

Sincerely,

DOUGLAS DILLON.

Mr. FARBSTINE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Georgia [Mr. PILCHER] just quoted from a letter of the Acting Secretary of State for the purpose of having this amendment voted in. I would like to quote from Mr. Dillon for the purpose of having the amendment voted down. It is not too long so I think I can read part of the statement that he made. He said:

The Marshall plan is now history. To it, we most certainly owe the present strength and possibly even the continued existence of the free world.

And he goes on and says:

The attainment of this goal is essential to our survival. We cannot hope to maintain our way of life surrounded by a sea of misery. The less privileged peoples are reaching out for economic growth with almost desperate determination. We must help them find the way in peace and freedom.

How does the loan development plan come into this method of determining assistance? Some underdeveloped country will come to the World Bank and make a request for a loan, or come to the Export-Import Bank and make a request for a loan. Inasmuch as the World Bank only lends money that can

be paid back in the same currency that is lent, there is refusal to lend unless the credit of the country which desires to borrow money is good; that it can repay the loan in that currency. These are hard money loans. The same is true with regard to the Export-Import Bank. Their loans are hard money loans. However, often a country will come to the Export-Import Bank or to the World Bank and request a loan. A portion of the loan will be granted by the World Bank but the World Bank feels that the country should get the balance of the requested loan; however, inasmuch as theirs is a hard money policy they send them to the Development Loan Fund for the balance. As a matter of fact very often the World Bank will suggest that the balance of the loan be made from the Development Loan Fund. This is appropriate because the loan cannot be repaid in hard money.

The purpose of these loans is to help these underdeveloped countries build up so that at some future time they will be in a position where they will be able to return in hard money that which they borrow.

Yesterday we talked about defense support. Instead of defense support being a straight giveaway there was the arrangement, that 90 percent of the money represented by defense support would be equally controlled by this Government and by the government that got the grant.

Under the Development Loan Fund where a loan is made, the recipient country will return the money it borrows, it is true, in soft currency, or the currency of the country that borrows the money. However, we control the soft currency received in payment of a Development Loan Fund loan, in the defense support. It is owned by the recipient country. This money if I may use the word frequently used in racetrack parlance, we can then "parlay," or use in a triangular arrangement. We can take the soft money we receive in payment of a loan, and lend that money we received from A country and turn it over to X country and with it they can buy things they need for their maintenance and sustenance from this other country. Thereby this money, even though it is repaid in soft currencies, can be used by several countries and it will not cost us anything. The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. BOLTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I merely want to put into the Record at this point some figures I think we should all be very clear about.

As of June 12, 1959, the Development Loan Fund had made commitments of \$765.5 millions.

The fund's total availability today is \$850 million.

The present capital capable of being used for new loans is \$84.5 million.

On May 31, 1959, just recently, there were loan applications outstanding of \$1,402 million. As of that date the Bank had rejected \$889.5 millions in applications.

Even so they would not be large enough to meet those which would pass the inspection of the committee.

Mr. Chairman, I yield back the remainder of my time.

Mr. TABER. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, as soon as we get through voting on this bill, it will be up to us to take up another bill to increase the borrowing power of the United States of America. That is a situation that I hate to see happen.

How are we going to be able to remain economically sound if we do not use some judgment in what we do with the money that is involved?

This amendment proposes to reduce the appropriation by \$100 million; that is, from \$800 million to \$700 million, which was the amount the administration asked for.

Frankly, I cannot be a party to loading up my Government with more money than is needed for any activity—it makes no difference to me what the thing is—unless we balance our budget and get the Government of the United States in a position where it is right side up. Economically we are going to be unsound ourselves otherwise. Britain, France, West Germany, Belgium, and Holland are balancing their budgets. We are not.

Is it not about time for us to wake up and meet our responsibilities face to face, instead of running wild and increasing the burden on our people way beyond what those who are involved in asking for this money feel is necessary?

Frankly, I can see no way out for us unless we begin to trim our sails and get to the point where we can take care of the things that we need to have taken care of. I know it is a nice thing to be able to give away money, and that is just what this is. It makes the fellow who gives it away feel bighearted and big, but if we do not use our common sense and our intelligence in approaching this problem, it is too bad.

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

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. We were told only day before yesterday by those justifying this item that an agreement had been reached with the administration—the Budget Bureau—and the \$700 million was the amount needed, the amount for which they were planning and the amount with which they would be satisfied.

Mr. TABER. That is correct. We were told that. There is no reason in the world why we should go beyond the budget estimate on this item.

Mr. Chairman, I hope that the amendment will be adopted and that the bill will be put back into some kind of an honest condition.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am leaning very strongly in favor of the pending amendment, although I am going to reserve my final judgment until it becomes necessary for me to vote one way or the other. I think I shall support this amendment, however.

I voted against several amendments yesterday because I thought they were unreasonable and unsound. Of course I am against the whole bill and have always been against this program since I have been a Member of the Congress. I think it is bad in principle.

Let me ask you this very salient question—at least I think it is salient and pungent. Recently a great man died, a very great American, John Foster Dulles. He was praised by practically everyone, Democrats, Republicans, and Independents. Yes; he was a great man. Evidently he did a good job in carrying on our foreign relations as Secretary of State or he would not have been so universally praised. We in this great and beloved Nation of ours know what our Constitution provides, and we as Americans practice the way of life, of liberty, and justice. That is known all over the world. We have been a good nation, we have been good to people, thus we should be generally respected and beloved. But now let me ask you the question: Why should we be as we now are disliked so thoroughly by people all over the world? What is the cause of it? I am not talking about the Communists. Of course they dislike us. I am talking about people of the free nations of the world. Why should we be so disliked by people in South America, in Europe, and in Asia, unless it is because of this program? I think this program is the thing that has caused that feeling more than any other one thing. If it has caused that feeling and is causing it, do you not think it is about time we stop, look, and listen, and change our ways? I do not know of anything else that has caused all this ill will toward America except this program. As I, in speaking of Mr. Dulles, have indicated, evidently this ill will toward us has not been brought about by the State Department.

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

Mr. MORRIS of Oklahoma. I yield to the gentleman from Florida.

Mr. SIKES. I want to try to help my distinguished friend make up his mind, and I respect him very much for the statement that he is making. But, I would like to point out that we have had quite a bit of experience in Congress in regard to appropriating money that the administration has not requested. It has been our experience that if you appropriate more money than the budget request, it simply is not spent. I think it would be better to support the amendment and leave out the money not included in the budget estimate.

Mr. MORRIS of Oklahoma. I think I shall agree with the gentleman, and I think he made a very fine contribution, but I will reserve my final judgment for a few moments.

Now, coming back to the proposition, I think we have done more harm in the world by this particular program than anything else that we have ever done. I do not believe anybody in the world has a more compassionate heart for starving people than I have. If I had my way about it, and if I were able personally, and if we were able as a Nation, I would



want to send food to anyone who is hungry; or, for that matter, clothing to those who need it. I want to help them. I am not impugning the motives of anyone supporting this bill, because I know you are acting in good faith. I know you think it is a good bill and, God bless you, I will admit that maybe it is; maybe you are right and I am wrong. But, I just believe very firmly and sincerely that we are doing more harm than good by this particular program, this whole package bill that we are being offered to vote on.

Now, we just recently experienced the proposition of turning down the conference report on the wheat bill. I do not know what is going to happen. But, we do know that we have millions of bushels of wheat stored up. We have a large surplus. It does seem to me that we could get our heads together and figure out some reasonable and logical way of sending wheat and other food-stuffs and clothing to these poor people who are so badly in need of it, and thus help them and bring about a different and better psychological feeling toward us throughout the world also.

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

Mr. MORRIS of Oklahoma. I yield to the gentleman from Illinois.

Mr. MASON. We sent wheat to India, many millions of bushels, but the starving people of India got not one grain of it. We sent it to the government and the government sold it to those who had the money to buy it, and the poor starving fellows got nothing.

Mr. MORRIS of Oklahoma. I thank the gentleman for his contributions, and that is exactly the point that I was trying to make. We are sending this money to certain politicians and heads of governments and unfortunately the poor people are not receiving it as they are entitled to and as intended they should.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was surprised to hear the gentleman from New York [Mr. FARBERSTEIN] say that this Development Loan Fund is for the purpose of building up the free world. I would call his attention to two loans totaling some \$27.5 million made to Yugoslavia. I wonder if any Member contends that Yugoslavia is a free nation.

I should like to ask some member of the subcommittee about one of the scores of so-called loans on this list. Here is one for \$5 million to the Israel Industrial Institution, Ltd. This loan is made, apparently, to a private outfit in Israel. Now, I would like to ask what agreement we have with the Israeli Government for the repayment of this loan. Just how is this handled?

Let me add this: Evidently this Israel Industrial Institution, Ltd., can turn around and reloan the money. Now, my questions are these: Why do we loan to this private corporation in Israel? What interest rate do we get from this corporation, and what interest rate do they charge to the people to whom they reloan the money?

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

Mr. GROSS. I yield to the gentleman from Maine.

Mr. COFFIN. I would say, first of all, that this borrower that the gentleman has named in Israel is a loan company or a development company similar to those that we have in several other countries, for instance, the Philippines and Taiwan, for the purpose of making small loans to small business people. In other words, it does not make sense for the Development Loan Fund itself to make loans less than \$50,000 or \$100,000 directly, so we use a certain amount of money in these countries and funnel it out through these agencies. The gentleman from Oklahoma said that this money was not getting to the small fellow. Well, this is a funnel for carrying the loan fund to the small fellow.

Mr. GROSS. Now tell me how much interest is charged.

Mr. JUDD. 5 percent.

Mr. COFFIN. I believe it is 5 percent.

Mr. JUDD. Repayable in 10 years, at 5 percent interest.

Mr. GROSS. Repayable in what?

Mr. JUDD. In Israeli pounds.

Mr. GROSS. In what?

Mr. JUDD. In Israeli pounds. That is the currency of Israel.

Mr. GROSS. Now, what interest rate does the loan company charge the people to whom they loan the money?

Mr. JUDD. I do not have the details on that, but it is used in their own country and for their own people and would be at the going rate, or less, in the country. The purpose is to get more capital into the country to make possible badly needed economic development.

Mr. GROSS. I want to know what interest rate the loan company gets for the money when they reloan it. We could be making some enemies, could we not, by this financial sleight of hand? Is that not right?

Mr. JUDD. No; I think not.

Mr. GROSS. Why not? Suppose they loan the money at a rate of 10 or 20 percent. Then what?

Mr. COFFIN. Mr. Chairman, if the gentleman will yield further, when we make this loan we have a firm loan agreement with this corporation, and we provide adequate safeguards against that and, I might say to the gentleman, also in case of default of any of these provisions.

Mr. GROSS. Let me ask this question: What are we going to do with Israeli pounds if ever we get them?

Mr. COFFIN. The Israeli pound is by no means a shaky currency.

Mr. GROSS. I did not say anything about its being shaky or unshaky. I asked what are we going to do with them if ever we get them in return for the American dollars we have dished out?

Mr. COFFIN. They will be of use either within Israel or outside of Israel, wherever this currency can be used.

Mr. GROSS. So this currency could be used to build a factory in some other country, as I believe the gentleman from Connecticut suggested, to produce more products to be shipped back into this country to create more unemployment and more abandoned factories in Connecticut and in some other States; is that not correct?

Mr. COFFIN. No, I would say in this case that there has been no instance where it has resulted in that.

Mr. GROSS. There has been a lot of unemployment in Connecticut, is that not correct? And this Development Loan Fund provides for the building of factories in other countries, does it not?

Mr. COFFIN. Not if you read the criteria for the loan. They cannot make a loan unless the administration satisfies itself that there will be no adverse impact on our own industries.

Mr. GROSS. Of course, we are supposed to have protection under the tariff laws to protect American industry and labor. There are the peril point and escape clauses. But the gentleman very well knows what happens and how the President nullifies decisions of the Tariff Commission when it invokes the escape clause or peril point. It just does not work, and the gentleman knows it. And neither will this alleged protection work.

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

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I have a high regard for the distinguished chairman of the Foreign Affairs Committee and for the members who serve with him. But we have been mistakenly referring to this as a loan program.

I think it should be clearly understood that, in reality, it is normally not a loan because of the provision for the use of local currency. If, for example, we make a so-called loan to country X of \$1 billion, and country X pays back in local currency, we cannot spend that currency in any other country. We cannot even spend that local currency in country X for something to take out of the country. So, actually, it amounts to a revolving fund for the recipient country. If there is evidence to disprove the accuracy of the statement which I have made, I would certainly like to be confronted with it.

Mr. GROSS. Mr. Chairman, I agree with my friend from Louisiana. I only wish the proposed cut was for the entire \$800 million.

Mr. COFFIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise not so much to exhort you to do anything on this amendment other than you want to do, but I think it is important that when you do vote you have a clear understanding as to what this Loan Fund is.

The gentleman from Louisiana [Mr. PASSMAN], the very effective chairman of the Subcommittee on Appropriations made the point that the local currencies accumulating in various countries are not freely available to be spent elsewhere; and this, at the present time, is perfectly true. But this does not destroy for a moment the effectiveness of this instrument to carry out our foreign policy. The gentleman from Oklahoma [Mr. MORRIS] when he was talking and, as usual, very effectively, about the results of so much of our program, how it has not gotten through to the little people, how it has caused people to dislike us, was choosing I think perhaps the most inappropriate time in the discussion of this entire bill to make that

point, because this loan program is the most effective thing in terms of personal relationship. Why? Because when a country or a foreign company makes an application to the Loan Fund, they are not doing it as beggars, they are not asking for handouts, but they do it in the context of a banking transaction. There are standards that have to be enforced and complied with. Then there is a loan agreement that is a very detailed, hard-written document, and in respect to that document I would say this, because the statement has been made on the floor earlier that we can cancel the agreement and convert this into a grant. This is not so. Moreover, when a default occurs in payment, under our loan agreements, the total amount of the loan is not only immediately payable, but payable in U.S. dollars.

Mr. MORRIS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. MORRIS of Oklahoma. I somewhat agree with the gentleman that my remarks were not made at the most appropriate time, as part of the reading of the bill. But under the rules of the House we have to speak when we can get recognition. That is why I spoke when I did and also why I suggested that I was not certain whether I would vote against this particular amendment because, if the bill does pass—although I am against the whole bill—I do want to see us write as good a bill as we can. That is why I made that reservation. I am following the gentleman. I probably will wind up by voting for this amendment. But I am listening to the gentleman.

Mr. COFFIN. I thank the gentleman.

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

Mr. COFFIN. I yield.

Mr. FARBSTEN. As a member of the committee, I would like to be straightened out on the triangular phase of the loan. In other words, can we under the law use the moneys, that we receive from a country to which we make a loan where by agreement it is determined we have that right to lend that soft currency to another country? Is there anything in the law to prevent an agreement between this country and the recipient country to use the funds that we receive in payment of a loan from lending those funds to another country for the purpose of buying merchandise from the first country?

Mr. COFFIN. As far as the law itself is concerned, it would still be subject to the general standards that govern any loan under the Development Loan Fund. The same standards would prevail.

Mr. FARBSTEN. Is there anything in the law that would prevent the triangular use of those funds?

Mr. COFFIN. Not in the law.

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

Mr. COFFIN. I yield.

Mr. PASSMAN. Is it not a statement of fact that for the type of loans consummated, without exception unless for a definite dollar loan, when we receive the local currencies we cannot purchase anything in that country to be removed

out of the country against those local currencies, and that neither can we use local currency of a country for the purchase of anything in another country to be moved to the United States.

Mr. COFFIN. But, as the gentleman knows, we are talking about the repayments under the program.

Mr. PASSMAN. I am talking about the contracts which are now in effect and loans that are now consummated.

Mr. COFFIN. As the gentleman knows, these repayments will be part of the revolving fund subject to the same purposes for which the Loan Fund is set up.

Mr. PASSMAN. The funds are spent in the country in which we receive the local currency.

Mr. COFFIN. I am not aware of any such restriction.

Mr. PASSMAN. I can state categorically that there are such restrictions, and our subcommittee has been so informed.

Mr. COFFIN. I know of no such prohibitions under the law and charter that we have enacted. I understand, however, that the individual loan agreements restrict the use of such currencies.

Mr. PASSMAN. It is provided under the contracts into which we have entered.

Mrs. CHURCH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I deem this to be a proper point in the discussion to bring the attention of the Committee back to the fact that we are not at this time, except incidentally, debating the actual merits or the demerits of the Development Loan Fund. I personally, although a stern critic of the present mutual security program, have felt that as regards the Development Loan Fund there was certainly a reasonable expectation of success, a departure from the awarding of grants, a new approach. That should be given every bit of full testing. The only issue to be settled in the next few minutes is whether or not we mean to put into any part of the program \$100 million more than the administration asked for—\$100 million more than any need has been demonstrated for; \$100 million more, for which the chief argument raised has been that such action would further indicate the desire of the committee and of the Congress to remove the emphasis from military aid further toward economic assistance.

Mr. Chairman, if by the action of the committee in cutting the military assistance program by 10 percent; if by the action of the committee in its report freely expressing its change of intention; if by words spoken on the floor, that intent has not been made sufficiently evident, without paying \$100 million more to make it clear, then no words can speak for themselves. I listened carefully yesterday and I know the gentleman was correct in saying that Mr. Dillon in a later expression did go further than his original \$700 million. However, I know of no officer of any administration who, when suggestion is made to him that he may be given more money than he has indicated he needs, would not say that the additional would

be welcome. But I take the liberty of reading the words on page 201 of the hearings in which I questioned Mr. Dillon concerning the need for the \$700 million requested. The committee will remember that that was the day when the supplemental appropriation bill was to be under discussion. There was some question as to how much money would be given to the Development Loan Fund in the second deficiency appropriation. I asked Mr. Dillon whether he needed \$700 million more for 1959, no matter how much authorization might be remaining after the afternoon appropriation; or whether if some previous authorization remained, it could be considered as partially meeting the new request for \$700 million for 1959. This was Mr. Dillon's answer, as carried on page 201 of the hearings:

Mr. DILLON. I think what we really need, Mrs. Church, is authorization for the appropriation of \$700 million in the next fiscal year. Whether that can in some fashion be combined with the existing authorizations, if that could be done that would be perfectly satisfactory because what we need is the ability to obtain \$700 million next year. Not more than \$700 million.

Now, Mr. Chairman, it seems to me that there is something wistfully appropriate about the gentleman from New York [Mr. TABER] whose long service in this House has been spent in trying to save money for the Government of the United States, coming down and making his plea to us, the day before we are to be asked to increase the debt limit. There is major significance in his reminder to us that here is \$100 million dollars that we can save.

I would like particularly to address the Members on my own side of the aisle. I have been one of those who has been urged constantly not to go beyond the President's budget, in an effort to end deficit spending. I have, in fact, received thousands of clippings and letters urging me to support that budget. If this extra \$100 million is not needed, if we can get adequately through the next year without it, I certainly am not going to make this the occasion to go beyond the amount the President has asked for.

Mr. Chairman, I yield back the balance of my time.

Mr. MORGAN. Mr. Chairman, I rise to see if we can come to some understanding as to time on this amendment.

I ask unanimous consent that all debate on this amendment close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair has noted the names of the gentlemen standing, and will divide the time equally among them. It will come out to about 1¼ minutes each.

The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the air is full of presidential trial balloons sent up by potential candidates of both parties, and senatorial candidates for President are so busy cultivating the voters that they are neglecting their legislative duties and responsibilities.



In order to clear the air of these trial balloons on the Republican side, I propose a team composed of Nixon and Rockefeller, a winning team that would sweep the Nation in 1960.

DICK NIXON for President and Rockefeller for Vice President would unite conservative Republicans and modern Republicans; would combine experience with glamour; would join the West and East; and would tie together the two most populous States of the Nation. It would be an unbeatable combination.

DICK NIXON is the best qualified candidate for President this Nation has had in the past 50 years; qualified by both training and experience. He has had to pinch hit for President Eisenhower on many occasions, representing the President in the field of international affairs, always with dignity and honor, reflecting credit upon himself and the Nation.

Mr. Rockefeller is a glamorous young man, a real vote-getting prodigy. He will make an excellent candidate for Vice President. Mr. Rockefeller needs time to mature, to get experience, and to become seasoned in statesmanship. Four or eight years as Vice President would prepare him to assume the leadership responsibilities that go with the office of President.

Nixon and Rockefeller harnessed together would win the political battle that is in the offing for 1960, and, in my opinion, would determine things for a decade to come.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in opposition to the pending amendment and in support of the position taken by your committee.

Mr. Chairman, I take this opportunity to say something which I should have said sooner in this debate; that is, to pay tribute to our chairman for his fairness, his ability, and his devotion to duty. He has been a model for all of us on the committee to follow.

It has been suggested that we should follow the recommendation of the administration rather than the recommendation of your committee. I am loyal, sir, to that committee. It has done fine work on this bill. To appraise that fairly you have to look at its action as a whole. There were various cuts or deductions made down the line, but those were somewhat balanced by an increase at this point. When I say I am supporting the committee rather than the administration, I must confess I do not think the administration will object.

What have we done in increasing the provision for the Development Loan Fund and decreasing certain other items? We are moving in the direction of economic rather than military aid. We are moving in the direction of loans rather than grants. Those are the two objectives that have been widely advocated by students of the program and by the public.

I urge the defeat of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I take this time to ask some member of the committee why currencies accumulated in repayment of loans through the Fund are not made available and sold to American tourists who travel in these foreign countries? Why shouldn't these contracts provide for the availability of these foreign currencies here in America so that when tourists go to these foreign countries they may use these foreign currencies? As it stands, the program is not a loan, but a grant, because we cannot use the foreign currency as it accumulates in loan repayment.

Mr. COFFIN. The tremendous bulk of our foreign currencies result from the Public Law 80.

Mr. VANIK. This Loan Fund is going to create a reservoir of added foreign currencies, is it not?

Mr. COFFIN. Not a large proportion to what has already been accumulated. The gentleman has suggested a program which would, in my opinion, require legislation to make them available.

Mr. VANIK. The gentleman does not answer the question. Why should we not provide by contract that at least a portion of these foreign currencies be made available to American tourists who are traveling in all of these countries every day spending a tremendous amount of American dollars?

Mr. COFFIN. We hope the Loan Fund will maintain its integrity, and we want it to do so.

Mr. VANIK. The sale of these foreign currencies to tourists would guarantee the integrity of the Loan Fund.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I rise in support of the amendment to reduce the Development Loan Fund from \$800 million to \$700 million which is the amount requested by the President in his budget message. I can see no good reason for placing more money in the Fund than the President thinks is necessary. There is nothing in the hearings or in this debate, so far as I can see, to justify this increase in the budget request. Here is a good place to save \$100 million.

Before voting on this amendment it might be well to give consideration to the minority views as expressed in the report accompanying this bill.

It is pointed out that our national debt of approximately \$286 billion exceeds the national debts of all the other nations of the free world, plus those of Russia and the Soviet bloc, by about \$50 million. The dollar is now worth 48 cents in terms of its value in 1939. Once the strongest and most sought after currency in the world, it is now selling at a discount in some countries. The Treasury Department is experiencing considerable difficulty in selling its bonds.

The report also points to the outflow of our gold. In 1958 the United States lost \$2.3 billion of gold. Since the first of this year an additional \$346 million of U.S. gold has moved to the accounts of foreign holders. More will be lost throughout this year and during 1960, according to financial experts.

Some \$20.3 billion is still held by the United States. However, it is not all strictly held by the United States. It must be able to redeem \$16.6 billion in foreign time deposits in U.S. banks, foreign held U.S. Government securities, and similar claims. This Nation could find itself in a severe financial squeeze if the foreign claimants demanded to be paid off in gold at once.

The loss of gold has resulted from the fact that as a Nation we are buying more from abroad, and giving away more through foreign aid and military expenditures abroad, than we are selling. It is true that our normal exports exceed our imports, but when you add foreign aid and military expenditures to our purchases, there is an unfavorable trade balance.

Growing competition from Germany, Japan, and other countries has been a factor in causing this unfavorable trade balance. Foreign products can in many instances undersell ours not only in foreign markets but in U.S. markets as well. As a consequence many American manufacturers are building factories abroad. Their products are sold in world markets and in domestic markets in competition with those manufactured here. American jobs have been affected. Since the end of World War II American businessmen have invested \$27 billion outside this country. It is estimated that altogether some \$40 billions are so invested.

The question which many Americans now have is simply whether or not we can continue our present course. Will we further weaken our currency and our competitive position in the world? It would be advisable for Congress to give this matter most serious consideration.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I speak in support of the amendment offered by the gentleman from Alabama. And let me remind the Committee that this amendment means an extra hundred million dollars beyond the budgetary provision, to be placed at the disposal of the President to make loans.

When this Committee refused to strike section 202, it forever removed the possibility of any of this money coming back into the Treasury of the United States. It is a direct drain on the Treasury. These moneys become counterpart moneys and can be used for anything they want to use them for.

I am telling you now that unless there is some way to return these funds to the Treasury, I am going to vote against this legislation. I voted against a loan to the British Government in 1946, and I made the statement on the floor of the House at that time it would never be repaid. They have not paid a cent on the principal. There is now a moratorium on interest payments. If England ever gets ready to resume payments on that loan, the money under this section you refused to take out will become a part of counterpart funds, both principal and interest will never come back into the Treasury of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, I would like to ask a few questions, if I can get an answer, and I speak more or less on behalf of the newcomers who for the first time have been exposed to this complex foreign aid spending.

Do I understand correctly that when funds are loaned to a foreign country under this Development Loan Fund we do not exercise complete control as to when they are returned to us or how they can be returned.

Mr. COFFIN. First, 20 percent of the payments are made in dollars. There is no problem there. The 80 percent that is paid in rupees, or whatever it may be, can only be used ordinarily in the country that creates that currency.

Mr. DERWINSKI. In other words, when we lend a number of dollars to India and some repayment is commenced we will then continue to revolve this Fund in India?

Mr. JUDD. Yes, funds from repayment of loans can be used as loans for other projects as they are developed and qualify. We establish a revolving fund.

Mr. DERWINSKI. Suppose we solve all of the problems in any given country, would they then release these funds to us so that we can lend that money in other backward areas?

Mr. JUDD. The funds are ours and there is nothing in the law to prevent our using them wherever we decide to use them. Normally of course, they can be used and reused most advantageously in the country in whose currency they are and whose development we are hoping to further.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, the gentleman who has just spoken hit the nail on the head when he said that this was his first exposure to the complexities of the foreign situation as it affects our U.S. people. Our Foreign Affairs Committee has heard hundreds of witnesses over the years, administration officials of both parties, and private interests, also our U.S. ambassadors and heads of our U.S. military establishments. Let me tell the House that the problems are complex.

The House Committee on Foreign Affairs made a policy recommendation that we cut down on the military emphasis in the U.S. foreign aid program this year and move toward the emphasis toward economic assistance and special types of assistance in the economic field to underdeveloped countries. That is a good policy move. We disagreed with the present administration, so, of course, the administration is not saying this. Further, the House Foreign Affairs Committee voted that we want to move to the basis of loans and to move away from the policy of giveaways in the U.S. foreign aid programs. The House Foreign Affairs Committee decided to give \$100 million more to the Development Loan Fund. That Fund has been run well under one of our finest Pennsylvania businessmen, its first Director, Mr. Dempster McIntosh. Everybody will tell you Dempster McIntosh has done a fine job, a topflight job. He was many years a

prominent official with RCA International. As a businessman, he has been our U.S. Ambassador to Uruguay, also our U.S. Ambassador to Venezuela, and is now the newly appointed U.S. Ambassador to Colombia. This is a place where the program has been really well run on a business basis. I hope that the Members on both sides will give the Foreign Affairs Committee the chance to change these foreign aid programs to loan programs and away from the giveaway programs. We want U.S. foreign aid policy to emphasize the economic basis of repayment and not place too extreme emphasis on military assistance and economic giveaway programs upon which there is no repayment provided and the items are given as straight grants-in-aid or gifts.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FARBERSTEIN].

Mr. FARBERSTEIN. Mr. Chairman, I would just like to clarify one thought that was left in relation to the request of Mr. Dillon when he appeared before the committee in connection with the sum of money that was to be incorporated in the Development Loan Fund. In the course of this testimony this is what he said:

I testified before regarding that, but I would just like to reinforce what I said at that time, and point out the fact that we feel that this \$700 million is an absolute minimum.

The Development Loan Fund, after dwindling out loans that have either been found unacceptable or found of interest to other lending agencies, still has on hand approximately \$1.5 billion worth of requests from 44 different countries. There is every reason to believe that we will continue to receive new requests during the coming year in substantial amounts.

In other words, the administration requested \$700 million, because they did not feel that the committee would go for any sum greater than that for the Development Loan Fund. But, the committee in its discretion, as has been mentioned here by two of the gentlemen on the committee, determined that they would rather reduce the amount of grant aid and convert a portion of that to the Development Loan Fund so that that money could be loaned rather than given away outright.

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

Mr. JUDD. Mr. Chairman, with respect to the President's request for the Development Loan Fund, the administration 2 years ago asked for a capitalization of \$2 billion in 3 years. It has received \$850 million in 2 years. The Fund wanted more than \$700 million additional capital this year but the Bureau of the Budget cut down its request to \$700 million because the administration felt it could not come to the Congress and ask for more than \$4 billion for the whole bill, in the light of all the other demands on our budget. When, however, the majority of the House committee cut military assistance and other provisions in the bill by \$367 million, the committee added \$100 million to the Development Loan Fund, making the total for the bill still \$267 million less

than the President requested. So there is no question but that the Fund needs and can use this larger amount.

This is the first and fundamental question for us to decide: Is it better to give aid as grants or as loans? And are foreign loans bad loans as charged by some? Look at the record of repayment. For the benefit of the gentleman from West Virginia, Britain has paid back more than \$300 million on the loan of which he spoke, \$50 million in principal in 1958 alone. Since 1946 the United States has extended loans and credits to foreign governments amounting to \$14 billion, and the countries to which they have been extended have repaid of the principal more than \$5 billion, more than 36 percent of the total borrowed; and in interest and commissions, some \$2 billion more. We have received in principal and interest in 13 years more than half of the total amount loaned.

Now, should we make loans on a yearly appropriation basis? Or should we have a Government corporation like DLF with adequate capital so it can study the projects longer and more carefully and the repaid loans can be used over again? Surely the latter is better.

Mr. Chairman, it is sounder economically to furnish economic aid as loans on a businesslike basis; it costs our taxpayers less. It is also better psychologically and better for our international relations to do it this way.

The CHAIRMAN. The chair recognizes the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, last year the committee raised the technical assistance funds by \$8 million, and we received nothing but praise from both the Members of the House and the administration. Now, the committee has tried to move in the direction of more economic aid, and to give less emphasis to military assistance, now, if you ever want to get out of this business of economic grants in connection with the foreign aid program, we are going to have to expand the development loan program. These are good loans. These are businesslike loans and there is some evidence that some day we will be repaid. I agree with the statement made by the gentleman from Pennsylvania [Mr. FULTON], that in committee we reduced this bill by a total of \$366 million with the feeling that if we added \$100 million to the Development Loan Fund we would be emphasizing the economic phase of this program.

Mr. Chairman, I ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. SELDEN].

Mr. MORGAN. Mr. Chairman, on that I request tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SELDEN and Mr. MORGAN.

The Committee divided, and the tellers reported that there were—ayes 164, noes 86.

So the amendment was agreed to.

Mr. DENT. Mr. Chairman, I offer an amendment.



The Clerk read as follows:

Amendment offered by Mr. DENT: On page 5, immediately below line 21, insert the following:

"(4) Immediately before the last sentence, insert the following: 'No loan may be made by the fund for the construction, alteration, expansion, or improvement of any production facility or facilities which will engage in the manufacture of articles which will be imported into the United States and sold in the United States in competition with articles manufactured in the United States.'"

Mr. DENT. Mr. Chairman, I have purposely refrained from engaging in any of the debates up to this moment except in one instance where I thought the language of the bill was doing something that even the proponents did not want to be done.

However, at this moment I come before you on a matter that does not deal with the philosophy of foreign aid; it does not deal with the amounts of money to be expended or appropriated or loaned or given away, but I come before you to speak on a matter which deals with a fundamental principle that already has had and will have in the future an even greater effect upon our American economics than any other single issue before the people of this Nation today. I have said on a few occasions on this floor that there are two kinds of war ever since the beginning of time. When man invented the first wheel and started to employ someone to push it for him, there has been one kind of war—economic war. And since man first started to look greedily at some property that another man had, there has been the other kind of war—military war. We see embodied in the philosophy behind this legislation the outcroppings and the growths of both these philosophies—war for economic gain and war for strength and material gain.

Mr. Chairman and Members, you will note on page 5 of the committee print of the bill that the committee has for the first time in the 11-year history of this aid recognized the thing that I am putting my finger on—the question of economic warfare between nations. It says in part:

The Fund in its operations shall recognize that development loan assistance will be most effective in those countries which show a responsiveness to the vital long-term economic, political, and social concerns of their people—

Then, if you will look right above that, because that is old language, you will find a new part and they add in section 202, in clause (4), subsection (1) this language, after the provisos that have already been in the bill for years, taking into consideration certain requirements in order to make a loan, they add this language—

and to the net position of the United States in its balance of trade with the rest of the world.

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

Mr. DENT. I do not like to but I suppose it is a courtesy. I yield.

Mr. BENTLEY. I do not want to take any credit away from the gentleman for having introduced this amendment, but

I remind him that I introduced an amendment to the bill last year practically identical with the one the gentleman is offering now. I will not announce to the gentleman what the vote was on that amendment because I do not want to see the gentleman prematurely discouraged, but I am very much in support of his amendment.

Mr. DENT. I welcome the gentleman's support. I believe this, that we are not deciding the question of compassion between peoples and compassion between nations. I say that every man in this room would mount the bulwarks of this country to fight off a military invasion; and it has become just as important to all of us in this room today, and we represent the peoples of our districts, to mount the bulwarks in an economic invasion.

Right now, today, as the steelworkers sit down in controversy and in debate over living conditions with the employers of this country, the very first and foremost argument made by the employers is based upon this situation that has been caused to a large extent by the lack of this amendment in this legislation; and I will quote for you from the steelworkers' periodical sent out the first week of the steel negotiations.

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

Mr. DENT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. MASON. Mr. Chairman, I reluctantly, very reluctantly, object.

Mr. COFFIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman from Michigan pointed out, we had practically the same amendment before us last year. Last year we wrote into the Development Loan Fund the fourth criterion, that before any loan is made we shall take into account the possible adverse impact on the economy of this country. Every loan made has to be subjected to that provision.

I have probably spent as much time as any man in this Chamber on studying the operations of the Loan Fund. I have gone over every single loan which they have made and have seen instances such as a proposed loan for a citrus fruit company which was turned down because of this fourth criterion.

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

Mr. COFFIN. I yield to the gentleman.

Mr. DENT. If the gentleman is saying that the Fund operates without the necessity of this amendment, then why do we not spell it out in the law?

Mr. COFFIN. I will tell you why we do not need it. It is a harmful thing.

We are administering the Development Loan Fund now so that we help these companies and countries which are underdeveloped; the Fund helps serve these countries in a manner which has no substantial impact on our trade—since adequate markets already exist within these underdeveloped countries for the new products. That is the meaning of being underdeveloped—inadequate productive capacity, inadequate distribution, and inadequate consumption.

If we are to adopt such an amendment, Mr. Chairman, I suggest that we go whole hog and say we shall make no loan which will help any country to export to any other country, because we are always fighting and competing in the markets of the world. You might just as well say, therefore, Mr. Chairman, that we shall not make any loan which will be effective.

We have another provision in this law, Mr. Chairman, and that is the study provision, section 413c. I would like to call the attention of the gentleman from Pennsylvania to this Blue Book which I hold in my hand. This is a study to be made every year, a survey of the impact of the operations of the mutual security program on the U.S. economy. This is the first volume and results from an amendment that we put into the bill last year.

A study of this volume shows that the Loan Fund is in no way responsible for unemployment due to foreign competition.

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

Mr. COFFIN. I yield.

Mr. GROSS. Will not the gentleman admit that there is quite a little bit of difference between building a factory in this country with our own money, and on the other hand building a factory in a foreign country with our money to compete with our American factory?

Mr. COFFIN. Yes, but that does not happen under Development Loan Fund operations and it is not likely to happen.

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

Mr. COFFIN. I yield to the chairman of the committee.

Mr. MORGAN. Is it not a fact that we have had representatives of the United Steelworkers before our committee and they endorsed the bill?

Mr. COFFIN. Enthusiastically.

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

Mr. COFFIN. I yield.

Mr. DENT. I do not come here representing the United Steelworkers as a separate group, I am representing all the people of Pennsylvania and all the United States of America. They are against building factories that take away their jobs. If you say the Blue Book shows they do not do it, you do not have the same copy I have. I will take page and verse and read to you the very instances where jobs have been taken away from American workmen, and it is listed in the Blue Book.

Mr. COFFIN. There are no loans, in the first place, for that. This program is so new that no factories have been erected. There has been no occasion where an influx of imports has resulted from the operation of the Development Loan Fund.

Mr. DENT. Is this the first appropriation by these United States for assistance to other countries for economic development, or is it just a change in name?

Mr. COFFIN. The loan fund is a substantially different approach to this problem from that which we have ever had before. It is based on ordinary banking transactions of borrowing and

lending, and subject to standards, such as the avoidance of adverse impact on our economy, which we have written into the law.

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

Mr. COFFIN. I yield to the gentleman from Minnesota.

Mr. WIER. Mr. Chairman, as I understand the amendment offered by the gentleman from Pennsylvania, it has to do with contracts and the letting of those contracts to foreign firms, particularly in England dealing with a tremendously large contract for so-called power equipment?

Mr. COFFIN. May I correct the gentleman. That is not covered by the amendment, and I refer to purchases under TVA contracts of electrical equipment. They are in no way related to the Development Loan Fund.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, we have now reached the stage where we are taking the money of our taxpayers, sending it abroad, building factories, hiring workers, sending over know-how individuals to make things which are sent back here for us to buy, forgetting that we have used our funds to set them up in business, make them competitors. We have sent billions over there. Now we are getting the result—competition in our own markets with loss of jobs here—unemployment and, if the overall result is not the height of ridiculousness, I do not know what is.

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

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania to fill in the details on that proposition for his union has advocated foreign aid.

Mr. DENT. I think there has been gross misrepresentation here. American money has been sent abroad to provide facilities abroad, the products of which have been routed to the U.S. domestic market. They say that is not true, but it is, because the facts are proven by a history of the products moving in.

If you will just bear with me 1 minute, I would like to take you on a hypothetical trip. I will not go into detail, and I have discussed that with Members here. There is not time to go into detail. Let me say that no man in this room is more compassionate of the needs of the peoples of undeveloped countries than I am. I have paid my taxes, like millions of other Americans, in the hope that what we gave them assisted in uplifting their way of life. I refuse now and will forever refuse to contribute out of my taxes or ask anybody else to contribute out of their taxes to destroy our American way of life. If you do not think that is a reason for adopting my amendment, then I say you do not know the record as it now stands.

Here is the situation: We find ourselves in the position where there is a manufacturer in a certain locality making rubber balloons. All of a sudden we

decide that a certain undeveloped country is the proper place, has the proper equipment, and the proper atmosphere to make rubber balloons. You make them a loan under a contract and they build a factory. This American investor buys in that same factory. You are asking in later legislation for concessions to that American investor. He shuts his plant down in this country and under the same trade name ships his products into these United States and you and I have to pay taxes in order to keep up the unemployed persons.

Here is the very first crack in the line to prove that the standards of living in other countries are now going to be the No. 1 argument at the bargaining table of American labor and American industry. I have had a strike in progress in my home community involving a man who assembles lighting fixtures. He has stated he cannot and will not bargain. He is moving from the community in the very near future because he cannot and will not increase wages or meet any of the demands of his workers because foreign competition has put him in the position where he cannot meet them.

Mr. HOFFMAN of Michigan. Just a minute. That is not the only industry in which our people have lost jobs. There are dozens of them all over the country. I have two of them in my own district. What I cannot figure out is why you unionists have been advocating this foreign aid proposition for so long, supporting the program so consistently.

Mr. DENT. I think that unionists, like all other Americans, have a certain amount of regard for all of the peoples of the earth. They did not hesitate when called upon to pay their share toward making this a better place in which to live. In so doing they did not expect that they would use these very tools of charity, in a sense, or decency, in a second sense, or Christian impulse, in a third sense, to destroy the very means from which they got and received the money which they spend to help their neighbors.

Mr. HOFFMAN of Michigan. We are mighty grateful you are seeing the light. Now, if, on the Labor Committee, you will help write legislation that will protect all of us—then kick out the extortionists—we will be on our way.

Mr. FARBERSTEIN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I will only take about a minute to discuss some of the points raised by the gentleman from Pennsylvania, trying to convince us that we are creating a Frankenstein, that we are creating an organization which will disrupt industry in this country. I read from page 27 of the report, which says:

Loan commitments as of April 30, 1959. Major countries. These are the countries to which we have made loans under the Development Loan Fund.

India, \$175 million; Pakistan, \$72.2 million; Philippines, \$50 million; Iran, \$47.5 million; Turkey, \$47.5 million; Taiwan, \$39.5 million; Yugoslavia, \$27.5 million; Argentina, \$24.8 million; Spain, \$22.6 million; Thailand, \$21.8 million. All other countries, \$169.5 million.

Most of them, if not practically all of them, are underdeveloped countries. If the gentleman has any fears about competition arising from any of these countries, let them be laid at rest.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DENT. Mr. Chairman, I rise to a question of personal privilege.

The CHAIRMAN. The gentleman cannot do that at this time under the rules of the House.

Mr. DENT. Well, can I not rise to defend myself against the charges of being a hard, coldblooded isolationist? I think we better put some bill of rights in this House.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS and Mr. BENTLEY objected.

Mr. MORGAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the amendment offered by the gentleman from Pennsylvania, or one similar to it, is absolutely necessary in the consideration of this legislation if we are going to leave language in the bill that you find on page 13, paragraph (c). Listen to this:

Foreign currencies received in repayment of principal and payment of interest on any such loan may be sold by the Secretary of the Treasury to the U.S. Government agencies for payment of their obligations abroad.

That is going to permit the TVA—and you will recall the bitter fight we had here some weeks ago on the TVA legislation—to continue to make purchases abroad. They will borrow at a reduced rate, supposedly from the Secretary of the Treasury, these counterpart moneys to pay for these purchases that they are making abroad. If for no other reason this language ought to come out of this bill or the gentleman's amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Pennsylvania [Mr. DENT] to discuss a matter of personal privilege.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HAYS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair has recognized the gentleman from Michigan [Mr. BENTLEY].

The time of gentleman from Michigan [Mr. BENTLEY] has expired. The



Chair recognizes the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I want to say in closing that I did not have an opportunity to go through this bill as I wanted to because of a lack of time, and pick out section by section places where admission has been made by the committee itself that this amendment is needed, is required. The provision must be spelled out so that the whole world may understand. If there is no such thing as American money going into foreign competitive enterprises out of the taxpayers' pockets in this country, then this amendment can do no harm. If there is such money being spent by this Government then the taxpayers ought to be advised of it.

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

The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the amendment be read again, in my time.

The CHAIRMAN. Without objection, the Clerk will rereport the amendment.

The Clerk read as follows:

Amendment offered by Mr. DENT: On page 5, immediately below line 21, insert the following:

"(4) Immediately before the last sentence, insert the following: 'No loan may be made by the Fund for the construction, alteration, expansion, or improvement of any production facility or facilities which will engage in the manufacture of articles which will be imported into the United States and sold in the United States in competition with articles manufactured in the United States.'"

Mr. GROSS. Mr. Chairman, I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. PERKINS. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi [Mr. WILLIAMS] and I may yield our time to the gentleman from New York [Mr. STRATTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. STRATTON. Mr. Chairman, I rise in support of the amendment. I intend to support this bill, H.R. 7500, because I am convinced that it is vital to our national security and a necessary weapon in the world fight against communism. The committee report expresses the point in this way: "If military aid were terminated it would require the organization of a new defense structure. The magnitude of the re-planning, reorganizing, and reequipping made necessary by such a fundamental change would take several years to accomplish and add billions to our defense expenditures. Obviously this would result in a heavier tax burden and increase the drafting of young men. During this reorganization and rebuilding, and possibly thereafter, our military potential would be weakened."

During the hearings on this legislation the Secretary of Defense, Mr. Neil H. McElroy, testified as follows:

Speaking as one primarily concerned with making certain that our defense is strong

enough to meet whatever tests it may face, I strongly urge support of a program which contributes so much to our own national security at so moderate a cost, and which joins the forces of the free world in an effective military alliance committed to the preservation of the peace.

The Chairman of the Joint Chiefs of Staff, Gen. Nathan F. Twining, also testified to the committee:

The military assistance program furnishes vital support upon which the effectiveness of our military alliance depends. I have already pointed out that I consider these alliances to be essential to our own national security \* \* \* If a substantial part of the free world falls or slips behind the Iron Curtain, our chances of being able to defend ourselves must dim in proportion. The gauntlet is on the table along with the blue chips. The stakes were never higher than they are today. Any limitations or reductions in the program would virtually eliminate all modernization and force improvement needed to accomplish the military assistance program forced objectives.

In view of this testimony, as a member of the House Armed Services Committee who is vitally interested in the defense of our Nation, it seems clear that this bill must be adopted. President Eisenhower himself has repeatedly stressed its importance to our position of world leadership in the fight against communism.

But, Mr. Speaker, in voting for this legislation, I am deeply apprehensive that the funds which are being made available here may continue to be used abroad in such a way as to contribute to our own economic decline and to put American businesses and American workers out of their jobs.

The members of this committee are already familiar with the way in which America's balance of trade has been falling off and foreign imports have been affording stiffer and stiffer competition to American businesses, American working men and women, and American standards of industrial decency. I am afraid that, unless we guard carefully against it, some of the funds appropriated in this bill may be used to promote foreign industrial know-how and foreign plant construction and production at low rates of pay and under lesser standards of protection to working men and women, with the end result of destroying the jobs and livelihood of American industrial workers.

For example, Japan, which is included in this aid program, is vital to our military position. If Japan falls into the Communist orbit in the Far East the disaster will be far greater even than the loss of China. It is absolutely essential that Japan remain free and remain an ally of ours. At the same time, as the representative of a district where gloves and carpets are manufactured and where these traditional American industries provide a substantial livelihood for American workers, I know the serious threat which Japanese imports in these fields constitute, and the degree to which Japanese imports have taken away American jobs and in some cases have even brought about the collapse of American businesses. How can we possibly ask an American taxpayer to contribute out of his own income to a program

which will take away his own job and livelihood?

The United Kingdom is also included in this bill for assistance under this program, and yet within recent months lower bids by English turbine manufacturers have taken away the jobs of trained electrical workers in my district in Schenectady, and, in line with a recent ruling by the Office of Civil and Defense Mobilization, threaten to take even more of these jobs away in the future. How can I ask a resident of Schenectady to pay taxes to finance a program which may end up by putting him on the unemployment rolls?

Other industries like automobiles and steel will, I predict, soon be facing these same tough and embarrassing questions. Someday there will have to be a time of reckoning. Someday we will have to face up to the question of whether we can afford to give away our own jobs and businesses to help our friends abroad. It is not an easy question to answer.

Just yesterday, Mr. Chairman, the Army awarded to the General Electric Co. in my district a contract for some \$5 million for the construction of turbines for the Barkley Dam in Kentucky. Within a half hour after I received that good information from the Department of the Army, they called me back and said: "We are sorry; we have to rescind that information. The English Electric Export & Trading Co., another bidder, has protested the award of this contract to General Electric and they are taking the whole matter to the Comptroller General." In other words, Mr. Chairman, not only are foreign firms getting an increasing percent of U.S. Government business but they are now even protesting the occasional award of some of this business by our own Government to our own American firms with the prospect of more jobs for unemployed workers in our own communities. My good friend, the gentleman from New York [Mr. FARBERSTEIN] read, a moment ago, a list of countries receiving help from the Development Loan Fund. He referred to the Philippines. I wonder if the gentleman is aware that the Philippines are gradually taking the glove business away from the State of New York, a business which is carried on in the cities of Gloversville and Johnstown, as everyone knows in my congressional district. I wonder if the gentleman is also aware that the carpet business is gradually moving to Japan and that people in Amsterdam in the great State of New York, in my district, are also out of work and are on relief in great numbers today, because the carpet business is going abroad, perhaps with the aid of funds which our taxpayers are being asked to contribute through this bill.

Mr. Chairman, I think this is a serious matter. Personally, I hope we can find some solution to the dilemma which confronts us here in dealing with these matters. But I do not believe we will ever find any solution until there is a clearer recognition of some of the dangerous results which a foreign assistance program can promote, and until there is more imaginative administration of this program with a view toward preventing

these results. Just as we need military allies abroad who are economically strong and militarily well trained, we also have an obligation to our own citizens to keep their jobs intact here in this country and to see that in implementing the requirements of our foreign and our military policy we are not at the same time creating dangerous and tragic portents of unemployment at home.

If this bill is to become law, I believe it certainly ought to include provisions to insure that those administering this program recognize that the welfare of American businesses and employees is no less important and no less essential than the welfare and security of those of other lands. I believe that the amendment offered by the gentleman from Pennsylvania will help to insure this result, and I urge its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I rise in support of the amendment. If I did not have some very deep convictions about this legislation, I would be totally frustrated. I heard on both the last amendment and on this one before us that the purpose of this Development Loan Fund is to assist underdeveloped free nations. I would like to know if anyone here who knows anything at all about what is going on in Yugoslavia today can tell me of any way in the world that these funds could help to develop a free nation in the case of that Communist country.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman and members of the committee, this is getting to be the most enjoyable day of my life. It takes me back to the days of William McKinley. It takes me way back to the protective tariff. Let me see. Yesterday we celebrated the 137th anniversary of the battle of Bunker Hill. You know we were not hiring people in those days to fight our battles for us. We fought our own battles. But getting back to McKinley, I am happy that the gentleman from Pennsylvania [Mr. DENT] and the gentleman from West Virginia [Mr. BAILEY]—Democrats through and through—are talking about and voting for protection. Of course it is only for protection for their people not for it as a policy. That is what we used to talk about—do you remember? Taking care of our own wives and our own families instead of fussing around buying things for strawberry blondes. Taking care of our own country. But here we are seeing that very hopeful sign of a few members realizing that the best policy is to protect our own country—not bankrupt it by wasteful spending which gets us nowhere—and tomorrow we raise the national debt limit—when today it is greater than that of all other nations. Taking care of their own people. Let me congratulate the two gentlemen—a little late—but it is a wonderful thing to see even one go down the sawdust trail.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, I rise not to express an opinion at this time either for or against the amendment but to object to the cutoff of debate which prevents us from fully discussing this most important subject. I am sure all the Members are aware of numerous American firms who are losing foreign markets as the result of economic development in nations abroad. At the same time, other American firms are subject to vigorous competition in our domestic market from foreign firms whose plants and production facilities have been rapidly expanded oftentimes with our aid. I sincerely believe that in future years this question of foreign competition; the historic argument concerning tariffs and trade barriers, and the question of whether or not our funds are being diverted to compete with American industry will be a constant issue. Obviously, unemployment in specific areas in our country can even at this moment be traced to the decline of a local plant due to foreign competition. I certainly hope that in the very near future attention will be given this important matter.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, as I understand the amendment, if anything useful is to be produced which may compete with anything produced in the United States, the loan should be denied. Now that means that only useless things could be fostered with this money if this amendment were to prevail. I think that is an absurd position. Actually, as I understand the philosophy of communism, it breeds on the cesspools left by capitalism.

One of my friends puts it simply by saying that you cannot do business with paupers. If we can build up the strength of these countries so that they can resist not only communism but become better markets for the things that we do produce, I have no fear. I happen to be one of those who still believes in competition. I am sorry to see so many of my distinguished colleagues on both sides of the aisle prepared to abandon competition the moment it has to cross the national boundary line. I am not afraid of competition. Competition is what made this country great.

The same kind of argument has been used to oppose every new development. It is the same kind of argument that was raised to oppose the development of every new section of our country. I am not afraid of competition. I am not afraid to see competition from overseas. I cannot forget that I have been sent here to represent the consumers as well, and they benefit from increased production and from competition.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. I will read what Admiral Metzger, Assistant Chief of Transport, Bureau of Supplies and Accounts of the Navy, said this morning about the foreign trade of this country

and the necessity of our obtaining for our U.S. economy the necessary national resources and basic materials for our domestic plants and factories.

Our U.S. foreign trade is not a matter of dollars. It is a matter of survival. We nations of the free world within our borders are have-not nations so far as natural resources are concerned.

The average person cannot visualize the vast amount and tremendous quantities moving in world trade on land, on sea, and in the air.

That means that we people in the United States are a have-not nation on our basic resources; we have to import many basic materials such as iron ore in order to keep employment going here in the United States. We need a good international trade; we need a good balanced trade that will bring these resources to us so our workmen can work on them.

The U.S. Chamber of Commerce placed itself on record as favoring this legislation and almost within the exact dollar amount of the total authorization that has been recommended by the House Foreign Affairs Committee. I include excerpts from their statement that outlines their position on the Development Loan Fund. This is the statement given by the Honorable William S. Culbertson, a distinguished son of Pennsylvania, from Westmoreland County:

In reviewing this matter last January 1959 the chamber's board of directors stated:

"Before additional obligatory authority is approved for the Development Loan Fund, however, assurance should be had that knowledgeable and competent personnel will continue to administer the Fund; that full and effective coordination with other governmental agencies and private lending organizations will be endorsed; that the stated objective of fostering the role of private capital investment and enterprise be strictly adhered to; and in view of the unusual nature of these loans, that consideration in each instance will be given as to the effect of the proposed project on the American economy."

4. Programs of economic and technical assistance should be designed to provide realistic benefits to the United States as well as to the recipient countries.

We believe that these programs should assume neither the aspect of a welfare project nor that of an attempt to outbid the dubious offers of the Soviet Union. In order to add to the overall strength of the free world, their prime purpose would be to help the recipient nations in their efforts to attain economic and political stability.

Because the funds that the United States can dedicate to economic assistance are necessarily limited, the end-objectives of these programs should be to assist countries so that they themselves, by their own remedial actions, can reduce or eliminate the causes which create the need for outside assistance.

The amount of capital that can be productively invested in any given time in the less-developed countries also is limited. Ill-advised or precipitous forcing of industrialization of areas where conditions are not conducive to constructive and effective absorption of development capital should be avoided. To obtain optimum development in the less-developed nations, encouragement should be given to private enterprise, rather than to Government projects.

I would say that if we are debating issues of tariffs they should be in a tariff bill brought to the floor by the Ways and



Means Committee after study and careful study. We should not put U.S. tariff questions into a mutual security and foreign aid bill for underdeveloped countries. There is a place and a time for tariff legislation and there is a place for foreign aid legislation. We would have to give further serious study on such a broad policy recommended by the gentleman, without regular committee action and hearings.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

(By unanimous consent, Mr. GALLAGHER yielded his time to Mr. COFFIN.)

The CHAIRMAN. The gentleman from Maine [Mr. COFFIN] is recognized for 2 minutes.

Mr. COFFIN. Mr. Chairman, I do not want to discuss further the merits of the amendment. I want to bring out the mechanics of the amendment. I cannot see how this can be worked without creating a huge inspection force. How would you know when you made a loan for factories that the articles they make would not be imported into the United States unless you had somebody to follow that commodity when it leaves the factory, when it goes to the broker, when it goes through the brokers to the hands of the exporter, when it comes to this country, and when it goes through the importer's hands? How could you do that without devoting by far the lion's share of the administration money to an inspection service, money that should be used to administer the program? I do not know.

If for no other reason this is an adequate reason why the amendment should be defeated.

The amendment is the expression of a very understandable wish, but this is not legislation that is capable of being implemented, as a matter of hard, practical fact.

I urge as strongly as I can that the amendment be defeated.

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

Mr. JUDD. Mr. Chairman, I do not believe this amendment is necessary or sound. I cannot believe that the U.S. economy and industry are so fragile that we can continue to exist only by holding back the industrial and economic development of other countries. I do not believe it is sound from either an economic or a political standpoint to put ourselves in the position of refusing to help develop the backward countries where these loans go, just because something they may produce for themselves or their area may conceivably get back to the United States when the same product is made or sold.

Actually, history shows that our greatest amount of trade consistently is with the most industrialized countries, beginning with Canada and Great Britain.

Even if we were to pass this amendment while it would retard the development of the affected countries, it would not stop it, because there are other places to which these people can and, if necessary, will turn for assistance in

getting the machinery and materials and technical services they need for their development and for improving their living standards. In the meantime their frustration will undoubtedly weaken our influence with them and to that degree our security and the strength and unity of the free world. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MORGAN] to close the debate.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly am in sympathy with the gentleman from Pennsylvania [Mr. DENT], because my district is next to his. Unemployment conditions in my district are even worse than they are in his.

I call the attention of the gentleman to the fact that protection is already written in the bill in sections 202(b) and 413. That, I think, will give him the protection he is after.

I ask for the defeat of this amendment.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. MORGAN and Mr. DENT.

The committee divided, and the tellers reported that there were—ayes 79, noes 170.

So the amendment was rejected.

The Clerk read as follows:

#### TECHNICAL COOPERATION

Sec. 204. Title III of chapter II of the Mutual Security Act of 1954, as amended, which relates to technical cooperation, is amended as follows:

(a) In section 304, which relates to authorization, strike out "\$150,000,000" and "1959" and substitute "\$179,500,000" and "1960", respectively.

(b) Amend section 306, which relates to multilateral technical cooperation and related programs, as follows:

(1) In subsection (a), which relates to contributions to the United Nations Expanded Program of Technical Assistance and related fund, strike out "\$20,000,000" and "1959" and substitute "\$30,000,000" and "1960", respectively.

(2) In subsection (b), which relates to contributions to the technical cooperation program of the Organization of American States, strike out "1959" and substitute "1960".

(c) In section 308, which relates to the International Development Advisory Board, insert "or officers" after "officer" in the first sentence and strike out "to administer this title" in that sentence.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, strike out all of lines 22 through 25 and insert in lieu thereof the following: "(c) Section 308 is hereby repealed."

Mr. GROSS. Mr. Chairman, this amendment would strike out the International Development Advisory Board, one of the many unnecessary boards,

bureaus, and commissions in government.

Let me give you a little history of this International Development Advisory Board. On August 3, 1957, Eric Johnston resigned as Chairman of the Board. I do not know when this thing began, but it does not seem to have performed any useful function prior to that. But, on August 3, 1957, Eric Johnston resigned, Eric Johnston being the \$150,000-a-year lobbyist for the movie industry and the man who comes to Congress representing the export segment of the movie industry. On August 28, 1958, more than a year later—mind you, more than a year later—an interim appointment was made of a gentleman by the name of Harry A. Bullis, chairman of the board of General Mills. Between August 1957, and August 1958, this outfit appears to have been completely inoperative except for one individual by the name of William C. Schmeisser, Jr., who was the executive director under Eric Johnston. Then Schmeisser resigned on January 12, 1958, to go over to the White House. Whose payroll he was on then I do not know, but he went over to the White House to help stage the extravaganza that Eric Johnston organized in Washington in February 1958, to do a propaganda job for the foreign give-away program last year and extension of the so-called Reciprocal Trade Act. On August 31, 1958, 3 days after Bullis, the chairman of the board of General Mills, was appointed interim Chairman of the International Development Advisory Board, this same Schmeisser went back on the payroll of the International Development Advisory Board. Apparently Schmeisser flits around with the greatest of ease from one project to the other, wherever he is needed to do a propaganda job on the country and on the Congress.

I asked the State Department the other day for a report or reports from this Development Advisory Board since the resignation of Mr. Johnston, and there is nothing available, nothing to show for the thousands of dollars that have been appropriated to this outfit.

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

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. This is the same amendment that was adopted last year by the House of Representatives on the mutual security bill offered by the gentleman from California [Mr. LIPSCOMB], is it not?

Mr. GROSS. I do not recall, but if it was offered by the gentleman from Wisconsin I know I supported it.

Mr. LAIRD. Well, the House adopted an amendment which accomplished the same thing last year and which passed the House, and it did the very same thing that the amendment of the gentleman from Iowa does.

Mr. GROSS. My amendment would repeal the provision in law which provides for the establishment of the Board.

Mr. LAIRD. The House conferees gave in to the Senate position, and they restored the language.

Mr. GROSS. At any rate, let us stop this waste of money. We are spending thousands of dollars on a Board that does not function. Let us give it another whirl and try to get it out of here.

This Government has no more need for it than a bullfrog has for feathers.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Wisconsin is right. The gentleman from California last year offered an amendment on the floor to strike out section 308, and it carried. Of course, section 308 was put back in in conference at the insistence of the Executive and the Senate conferees.

Now, last year the Board was inactive, I agree with the gentleman from Iowa, but it was reactivated late last year. It has held two meetings already this year, one in February and one in March. The Board is active. It has been assigned some specific duties under the Under Secretary of State, Mr. Dillon. They are now working on an analysis concerning the utilization of counterpart funds abroad. The Board is headed by some very fine business people, some outstanding business people in the United States. Let me give you their names:

Henry A. Bullis, Chairman, Minnesota, chairman of General Mills, Inc. Chairman requires Senate confirmation.

Allan B. Kline, Illinois, past president, American Farm Bureau.

Mrs. Olive Ann Beech, Kansas, president, Beech Aircraft Industry.

Harvey S. Firestone, Jr., Ohio, chairman, Firestone Tire & Rubber Co.

Edward S. Mason, Massachusetts, professor of economics.

Clark Kerr, California, University of California.

Lloyd A. Mashborn, California, general president, Wood, Wire, and Metal Lathers International Union.

Richard H. Amberg, Missouri, publisher, St. Louis Globe-Democrat.

Peyton Anderson, Georgia, publisher, Macon Telegraph and Macon News.

Leonard B. Jordan, Idaho, former Governor of Idaho.

Lowell T. Coggeshall, Illinois, dean, division of biological sciences, University of Chicago.

Edwin B. Fred, Wisconsin, president emeritus, University of Wisconsin.

Robert W. Purcell, New York, chairman, International Basic Economy Corp.

Mr. GROSS. I have no doubt that it is a blue-ribbon committee. We have all kinds of them around here telling us what we ought to do and lobbying the Congress to put over various enterprises. I have no doubt it is a blue-ribbon committee, but what has it contributed for what has been spent on it by the taxpayers of this country? Understand, this is the taxpayers' money, not our money, that we are spending for this outfit.

Mr. MORGAN. I think the people who make up this Board are among the biggest taxpayers in this country. I am sure they are not out to waste a single dime of the taxpayers' money. I am sure the work that is assigned to them by the executive branch of the Government is work that is going to

help the program. It is not going to be a waste of the taxpayers' money.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. MORGAN. I yield.

Mr. GROSS. Tell me what this Board has done in the last year and a half.

Mr. MORGAN. I am saying that this is a new Board; it has been reactivated with new membership.

Mr. GROSS. In other words, they have not done anything for the last year or year and a half?

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

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, the first meeting of the reconstituted Board took place in February or March of this year. I am sure that the gentleman and everybody else in the House wants to have a group of outstanding citizens of our country who have no personal stake in this agency to watch it, to criticize it and make constructive suggestions where indicated, in order to make it more effective, if we are going to have the program at all. This amounts to a cost of less than \$100,000 to study and help improve the program year by year. It would seem to be penny wise and pound foolish to eliminate this Board.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, what about the Draper Committee that got \$400,000 out of the President's so-called emergency fund? What was the function of that outfit?

Mr. JUDD. That was a study of the military assistance program, because of the demands in Congress and elsewhere that it be reevaluated. This Board is to study the operations of the technical cooperation program and the Development Loan Fund which many people believe are the two best parts of the whole program.

Mr. GROSS. How many more of these do you have roaming around?

Mr. JUDD. No others. The Draper Committee was a temporary committee set up to look into criticisms being made. This Board is authorized in the mutual security legislation. Its sole purpose is to have an independent group to study and to ride herd on the agencies, if you wish, to try to make the program what it should be.

Mr. GROSS. What is the State Department doing that we have to go out continually and forever establishing new committees and new commissions and special commissions and special committees, and so forth? What is the State Department doing with the personnel that they have?

Mr. MORGAN. The State Department is doing a real good job but this Board will bring in fresher views, new views, and can give valuable guidance to the Department of State. They will help find the answers to some of the criticisms that have been made of the program, such as those that have been offered by the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, I ask that the amendment be defeated.

Mr. LIPSCOMB. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think it would be well if we reviewed our action of last year and what the situation is at the present time.

This Board was established in 1950. The Congress of the United States appropriated, up to fiscal year 1958, over \$324,000 for its operation. It is hard at this moment to tell what value this Board has been over the past 8 years.

Last year we appropriated around \$49,000 for the operation of this Board. As has been stated, the situation last year was this. There was no membership on the Board. All of the appointments had expired as of September 1957. There was no staff. The House of Representatives last year adopted a similar amendment that is being offered. The bill went to the other body. They reinserted the section in the bill and in conference the House agreed with the Senate. Therefore we have had this Board on the books since then.

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

Mr. LIPSCOMB. I yield to the gentleman.

Mr. MORGAN. We were assured in conference that the Board would be reactivated.

Mr. LIPSCOMB. That is right. The distinguished chairman made the statement to me on the floor during the debate, that this Board would be active. But the actual facts are these. The Board was not active during this last year. Only on February 3 of this year were the 12 members of the Board appointed. Mr. Harry A. Bullis is the Chairman of this Board. He was formerly chairman of the board of General Mills. He had an interim appointment as of August 28, 1958. The Senate confirmed him on January 28, 1959.

William C. Schmeisser, the Executive Director, resigned on January 12 of 1958. As has been pointed out previously, he went to work for Eric Johnston on the Conference on Foreign Aspects of U.S. National Security. He was reappointed to this Board as Executive Director, on August 31, 1958.

This Board has requested authorization in this bill of \$100,000. That is an increase of \$55,000 over what they had in the past year. They asked for and attempted to justify more travel, more consultants, and more staff.

One of the things that is significant is the appointment of their subcommittees. They have appointed a subcommittee entitled "Public Understanding" and, according to the testimony in the record at page 848 of the hearings, John O. Bell, who is the Special Assistant for Mutual Security Coordination, State Department, when asked what this would mean, said:

We have asked them [the Board] to look at the question of how to get a better understanding of this program in the public mind in the United States, and we have asked them to feel free to provide us with any criticism, opinions, or other ideas they may have.



This is a subcommittee of this Board to study how to propagandize the citizens of the United States. I do not know what justification they have to do this. It does not seem to come within the authorization of this act, in my opinion.

Here we have a Board that is not essential. We have plenty of experts in our Government to do the same job that they are proposing to do. We have distinguished and capable committees of the House of Representatives and of the other body to look into the matters that this Board is proposing to study. Here is an opportunity for the Congress to save \$100,000 and at the same time abolish a nonessential Board.

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

It has been said when a person finds himself in darkness, he should light a candle and not curse the darkness. We know of the many objectives and criticisms that have been made of the mutual security program. Here is a provision in the law intended to shed light on some of these objections and criticisms. When you consider the amount of money involved in these programs, I am sure you will agree that money spent to assure that the policy behind them is wise is money well spent.

Let us see what this amendment is. We are asked to strike section 308 from the law. Section 308 of the mutual security act as it appears on page 79 of the committee's report under the Ramseyer rule is as follows:

SEC. 308. INTERNATIONAL DEVELOPMENT ADVISORY BOARD.—There shall be an Advisory Board, referred to in this section as the "Board," which shall advise and consult with the President \* \* \* etc. With respect to general or basic policy matters arising in connection with the operation of programs authorized by this title, title II, and section 413(b).

When section 308 speaks of "this title" it refers to technical cooperation. When it speaks of title II, it refers to the Development Loan Fund. Section 413(b) of the law has to do with emphasizing and encouraging private enterprise to participate in economic development.

Section 308 provides for a Board composed of people representing business, labor, agriculture, public health, and so on. Their advice on policy matters could be of great value. It would be a mistake to eliminate this section. I hope that the amendment will be defeated.

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

Mr. CURTIS of Massachusetts. I am glad to yield to the gentleman from Florida who has spent so much time in studying this program.

Mr. HALEY. Has this Board ever made a report to the Committee on Foreign Affairs of the House of Representatives?

Mr. CURTIS of Massachusetts. I understand the new Board has just been constituted and has not had time to report.

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

Mr. CURTIS of Massachusetts. I yield.

Mr. JUDD. The gentleman from California a few moments ago read one paragraph of the testimony of Mr. Bell. I know that he was pressed for time, and I would like to read the next paragraph in his statement. It was as follows:

They are independent (that is the Board). They do not have to have their findings approved by us (that is the ICA). They provide us with a cross-section of opinion as to how we can improve the administration and activities of this program.

Surely that is just what we want the Board to do.

Mr. CURTIS of Massachusetts. Mr. Chairman, before I yield to the gentleman from California, I would like to ask him whether he does not want to have further light shed on the policy problems that are confronting us in these complicated programs.

Mr. LIPSCOMB. I do not feel that a Board under the same general setup which was so wanting in the past can offer anything to the Congress or be a constructive advisor to the administrators of this program.

It has been asked if this Board had made any reports in the past.

They have made reports in the past; I think they made some 18 reports. One of the reports they issued in the past was entitled "Background Information Relating to the Problem of Unemployed Intellectuals in Countries Receiving U.S. Foreign Aid."

I do not see how you can possibly determine from the past record that this Board has been of much value over the period of years. I think we should let the State Department, ICA, and other qualified agencies do this work.

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

Mr. CURTIS of Massachusetts. I yield.

Mr. JUDD. I cannot think of anything that is much more important than to try to get into useful work and productive activity the intellectuals who are unemployed in the underdeveloped areas. The first target of the Communists in any country, even including the United States, are the intellectuals who, for whatever reasons feel frustrated and dissatisfied. These are the ones in China, India, and other countries who go after communism most readily because it promises to give to them significant work to do and a sense of importance—all this and heaven, too. I do not know anything better that the Board could do than try to find ways, if it can, to help some of those persons find useful and satisfying work in helping build up their own countries. At present they are the most fertile soil for subversion—and that is a greater danger in most of the less developed countries than actual aggression.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly would not want to oppose the chairman who has spoken in opposition to this amendment.

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

Mr. HAYS. I yield.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on

this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. At the conclusion of the time of the gentleman from Ohio [Mr. HAYS]?

Mr. MORGAN. At the conclusion of his time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAYS. Mr. Chairman, I would not want to oppose the chairman, as I was saying, nor do I want to intervene in the internecine warfare on the Republican side, because this is an amendment, as far as I am able to find out, to abolish a commission composed of 100 percent Republicans. I am just telling the Democrats for their information and they can be guided accordingly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the Chair being in doubt, the Committee divided, and there were—ayes 57, noes 62.

Mr. GROSS. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. GROSS and Mr. MORGAN.

The Committee again divided, and the tellers reported that there were—ayes 75, noes 74.

So the amendment was agreed to.

The Clerk read as follows:

#### SPECIAL ASSISTANCE AND OTHER PROGRAMS

SEC. 205. Title IV of chapter II of the Mutual Security Act of 1954, as amended, which relates to special assistance and other programs, is amended as follows:

(a) Amend section 400, which relates to special assistance, as follows:

(1) In subsection (a), strike out "1959" and "\$202,500,000" and substitute "1960" and "\$250,000,000", respectively.

(2) In subsection (c), insert "(1)" immediately after "specify," and immediately after "ideas and practices of the United States," insert "or (2) for hospitals abroad designed to serve as centers for medical treatment, education and research, founded or sponsored by citizens of the United States,"; and in the last sentence of such subsection, immediately after "as amended," insert "and notwithstanding the provisions of section 1415 of the Supplemental Appropriation Act, 1953, or Public Law 213, Eighty-second Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other Act."

(3) Add at the end of such section 400 the following:

"(d) Notwithstanding the provisions of section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President is authorized to use foreign currencies accruing to the United States in any Latin American country under this or any other Act (other than under title II of chapter II of this Act) in such amounts as may be specified from time to time in appropriation Acts for the purpose of making loans for land resettlement programs described in clause (C) of subsection (b) of this section."

(b) Insert after section 400 the following new section:

"SEC. 401. UNITED NATIONS EMERGENCY FORCE.—The Congress of the United States, recognizing the important contribution of the United Nations Emergency Force to international peace and security, declares it to be the policy of the United States and

the purpose of this section to support the United Nations Emergency Force. The President is hereby authorized to use during the fiscal year 1960 funds made available pursuant to section 400(a) of this Act for contributions on a voluntary basis to the budget of the United Nations Emergency Force."

(c) In the first sentence of section 402, which relates to earmarking of funds, strike out "1959" and substitute "1960."

(d) In section 403, which relates to responsibilities in Germany, strike out "1959" and "\$3,200,000" in the first sentence and substitute "1960" and "\$7,500,000", respectively.

(e) Amend section 405, which relates to migrants, refugees, and escapees, as follows:

(1) In subsection (c), strike out "1959" and "\$1,200,000" and substitute "1960" and "\$1,100,000", respectively.

(2) In subsection (d), strike out "1959" and "\$8,600,000" and substitute "1960" and "\$5,200,000", respectively.

(f) In section 406, which relates to children's welfare, strike out "\$11,000,000" and "1959" and substitute "\$12,000,000" and "1960", respectively.

(g) In section 407, which relates to Palestine refugees in the Near East, strike out "1959" in the first sentence and substitute "1960"; and strike out the proviso in the first sentence.

(h) In section 408(c), which relates to the North Atlantic Treaty Organization, strike out "four" and substitute "five."

(i) In section 409(c), which relates to ocean freight charges, strike out "1959" and "\$2,100,000" and substitute "1960" and "\$2,300,000", respectively.

(j) Section 410, which relates to Control Act expenses, is repealed.

(k) Amend section 411, which relates to administrative and other expenses, as follows:

(1) In subsection (b), strike out "1959" and "\$33,000,000" and substitute "1960" and "\$39,500,000", respectively.

(2) In subsection (c), strike out ", not to exceed \$7,000,000 in any fiscal year," and insert before the period "and for expenses of carrying out the objectives of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611): *Provided*, That, in addition, funds made available for carrying out chapter I of this Act shall be available for carrying out the objective of the Mutual Defense Assistance Control Act of 1951 in such amounts as the President may direct".

(l) Amend section 413, which relates to encouragement of free enterprise and private participation, as follows:

(1) In subsection (b) (4) (B) (ii), insert before the semicolon ", revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection".

(2) In subsection (b) (4) (F), strike out "\$500,000,000" and substitute "\$1,000,000,000".

(3) In subsection (c), delete the words "a study" following the words "shall conduct" and insert in lieu thereof "annual studies"; insert immediately before the period at the end of the first sentence the following: ", and to the net position of the United States in its balance of trade with the rest of the world"; and in the final sentence delete the word "study" following "such" and insert in lieu thereof "studies".

(m) In section 419(a), which relates to atoms for peace, strike out "1959" and "\$5,500,000" in the second sentence and substitute "1960" and "\$6,500,000", respectively.

**Mr. BENTLEY.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by **Mr. BENTLEY:** On page 7, line 8, strike out "\$250,000,000" and insert in lieu thereof "\$171,800,000".

**Mr. BENTLEY.** Mr. Chairman, this is an amendment to reduce the amount authorized for special assistance. Last year the Congress appropriated the sum of \$200 million for this purpose. This year the administration requested \$271.8 million, which the committee cut to a sum of \$250 million. My amendment would cut this amount further by a total of \$78.2 million, or a total reduction from the administration request of \$100 million.

Now, Mr. Chairman, I would like to tell the committee just briefly what special assistance is. Special assistance is economic assistance on a grant basis. I repeat this. Special assistance is grant economic assistance. There is no loan feature about it at all. It is designed for those countries, Mr. Chairman, in which either we have none or very little military assistance. It is designed for countries where the Development Loan Fund could not apply; in other words, the countries that are to get this grant assistance are not even good loan risks under the terms of the Development Loan Fund and where technical cooperation is impossible.

Mr. Chairman, there are a number of countries that receive special assistance or that are programmed to receive special assistance, and some of them, I will admit, are very worthy recipients, but on the other hand I maintain that some of these countries I do not think the United States has any business assisting at the present time. In view of the impossibility of spelling out which country is to get special assistance and which country is not to get special assistance, I offer this cut in the belief that the committee will agree with me that some of the countries which I am about to read do not require grant economic assistance at this time, and I will now read these.

There is a very small token grant for West Berlin, which, we all want to support, but is perfectly capable of being economically supported by the Federal Republic of Germany. Here are the countries: Afghanistan, Bolivia, Burma, Ethiopia, Haiti, Indonesia, Israel, Jordan, Liberia, Libya, Morocco, Nepal, Somalia, Sudan, Tunisia, and Yugoslavia.

As I say, Mr. Chairman, this is grant economic assistance which is designed to go to these various countries. The amounts on a regional basis, not by country breakdown—because that is entirely classified—can be found on page 34 of the committee print.

On page 35 of the committee print are certain reasons the committee set forth for justifying its aid programs, and I would like to read two or three:

Bolivia has been assisted in the crucial phases of an effort toward economic stabilization, with a major upheaval and change of political orientation having been avoided.

I remind the Committee of the fact that not too long ago there was a rather substantial upheaval in Bolivia when certain stories came out in one of our better-known magazines, and there was certainly very decided resentment against it at the time.

Yugoslavia, in the face of aggressive Soviet economic action in curtailment of

credits, has maintained its national independence of the Soviet bloc.

I leave it to the Members of the Committee to determine just how nationally independent Yugoslavia is of the Soviet bloc.

Now, I repeat, Mr. Chairman, I think there are some countries in which this special assistance program is probably justified, but there are several countries, including some of those that I have not mentioned, where I think the program is not only unnecessary but where I actually think it constitutes a certain amount of bribery and blackmail in these countries to achieve American objectives. I cannot go further into that right now without revealing classified information, but if the Members are interested, they can go up to the tables and look at these vast numbers of volumes and read some of the classified information and see for just what purpose special assistance funds are being used.

**Mr. GALLAGHER.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in some of these countries that my distinguished colleague from Michigan has mentioned, the United States maintains vitally important air bases and facilities; for instance, in the countries of Morocco and Ethiopia. There are other countries where the preservation of their independence is identified with the United States and the free world, where it is abundantly necessary that we aid them by granting economic assistance, where they cannot qualify for the Development Loan Fund or the defense support program.

This special assistance program has for its purpose to develop and maintain the economic stability and growth of these countries and to insure their identification with the free world and their independence. Since the special assistance funds are so closely connected with the well-being and security of the United States, any further reduction would be ill advised. I do not know where the gentleman from Michigan would start his cuts. We listened to arguments yesterday why we should not advocate high defense and military assistance to these countries. We had it pointed out to us clearly that there were areas where we should assume the beneficent attitude of wanting to help people who are in need of help and who are seeking the free way of life. I do not know what countries we can cut out of this program. Let me point to some of these countries. For instance, Burma, Indonesia, the city of West Berlin—they are vitally dependent on our aid. It is true that in West Berlin we have only a token figure, some \$2 million.

**Mr. BENTLEY.** Mr. Chairman, may I remind the gentleman that that figure is classified.

**Mr. GALLAGHER.** It may very well be classified, but I want to make it abundantly clear here today that these programs are necessary. Our military leaders feel they are necessary. The administration feels they are necessary. The argument was raised on the world Development Loan Fund that the figure



requested by the administration is necessary. The same argument is equally applicable here so that we can carry out this program.

There is a \$35 million program here for the eradication of malaria. We have a \$5 million program designed to combat water-borne diseases. These are programs in which we may be guided by the lights of national responsibility and humanitarian purpose with a desire to further the free way of life. We can be further guided by the lights of those who want to follow the democratic way of life so that by helping these people, they will be able to help us and support our way of life. This is the purpose of the mutual security program.

Therefore, I urge that this amendment be defeated.

The executive branch requested \$271,800,000 for special assistance. The committee bill authorizes \$250 million, which is a reduction of \$21.8 million below the executive branch request. A further cut should not be made because the programs under "Special assistance" are vital to our own security.

Special assistance is economic aid and includes a number of types of aid which do not belong under other headings, including (a) economic assistance to countries where the United States is not providing military assistance in support of significant forces and where technical assistance or the Development Loan Fund would not be adequate to meet U.S. objectives; (b) a malaria eradication program of \$35 million; (c) \$5 million for a program designed to combat waterborne diseases; (d) \$1 million for international medical research; (e) \$5 million for aid to American-sponsored schools abroad; and (f) \$5 million to establish an investment incentive fund so as to increase the participation of U.S. private enterprise in the development of the less developed countries.

Special assistance will be furnished to 16 countries and to West Berlin. The 16 countries are Indonesia, Burma, Nepal, Yugoslavia, Haiti, Bolivia, Morocco, Tunisia, Libya, Sudan, Ethiopia, Somalia, Liberia, Jordan, Afghanistan, and Israel.

Bilateral special assistance has one or more of the following objectives:

First, to develop or maintain economic stability and to support economic growth in countries in order to insure continued independence or identification with the free world; and

Second, to help to secure or maintain U.S. military bases.

It is essentially economic assistance furnished for political reasons or furnished in countries where defense support is inappropriate.

A look at the countries which are receiving special assistance makes it abundantly clear that these are some of the most sensitive areas in the world. For example, Jordan, Morocco, and Tunisia are the three largest recipients of our special assistance.

That form of aid which is known as special assistance has achieved outstanding successes. Among these successes have been those outlined on page 35 of the committee report, as follows:

1. Strategic bases, outside of our territory, have been retained.

2. Jordan has preserved its independence.

3. Lebanon has been helped to meet the economic dislocations of the internal crisis of 1958 and to restore reasonable stability.

4. Tunisia, despite strong anti-Western pressures, has retained its freedom of action.

5. Bolivia has been assisted in the crucial phases of an effort toward economic stabilization, with a major upheaval and change of political orientation having been avoided.

6. Yugoslavia, in the face of aggressive Soviet economic action in curtailment of credits, has maintained its national independence of the Soviet bloc.

7. In West Berlin, continued U.S. economic assistance on a modest scale has contributed to maintaining the Western position in this free enclave in a Soviet-controlled area.

8. U.S. initiative and sharing in the costs of the malaria eradication program, now in its second year of operation, have provided the major impetus in this worldwide program to eliminate malaria.

The United States maintains vitally important airbases and facilities in Morocco, Libya, and Ethiopia. The preservation of the independence of Jordan and Tunisia are important to our security and to the security of the free world.

The committee was assured by the executive branch that special assistance would be provided to Israel and it is from these funds that any grant assistance which Israel will receive will come. It is necessary if we are to continue our encouragement and assistance to that bastion of democracy in the Near East, Israel, that we do not reduce this amount.

Since the special assistance funds are so closely connected to the well-being and to the security of the United States, any further reduction would be ill advised. These funds are necessary to help us preserve base rights in sensitive areas. They are necessary to help us maintain stability in areas where there is serious danger of Communist or other subversion. A reduction in these funds might well mean serious damage to the United States.

I urge defeat of the amendment. I advocate no reduction in this important fund.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as already stated, the executive branch requested \$271,800,000 for special assistance. The committee went over this program very thoroughly and reduced the executive request to \$250 million. This is a special program that has a great deal of human appeal. Besides, it is a program that is tied, part and parcel, to our own defense system.

I am sure the gentleman will concede that without special assistance some of our bases in North Africa that are now manned by our great Air Force would not be possible. This is a very, very vital part of the mutual security program. If you will read the report you will find some of the reasons why special assistance should be continued in the full amount requested by the executive branch.

Strategic bases, outside of our territory, have been retained.

Jordan has preserved its independence.

Lebanon has been helped to meet the economic dislocations of the internal

crisis of 1958 and to restore reasonable stability.

Tunisia, despite strong anti-Western pressures, has retained its freedom of action.

In West Berlin, continued U.S. economic assistance on a modest scale has contributed to maintaining the Western position.

U.S. initiative and sharing in the costs of the malaria eradication program, now in its second year of operation, have provided the major impetus in this worldwide program to eliminate malaria.

The malaria program is now in its third year. It is a worldwide program to conquer malaria and it is a very successful program.

This item also has \$1 million in it for international research on cancer and heart disease.

This program has been cut to a bare minimum by the committee. The Executive is going to need every dime of the \$250 million. It is a good program, and I ask for the defeat of the amendment.

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

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. BENTLEY. Last year the appropriation for this program was \$200 million. I am asking the chairman if the program suffered thereby.

Mr. MORGAN. There are additions to the program that are new.

Mr. BENTLEY. Oh, we are expanding the program?

Mr. MORGAN. The malaria program is in its third year and there are many other programs that require the extra money.

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

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

Mr. FULTON. I strongly oppose the amendment to cut the special assistance funds in this 1959 foreign aid bill. We had the Jordan and Lebanon crises last year that were a real problem, and we were able to surmount those because we had adequate funds and forces.

Likewise we have had the Berlin crisis come since, and I certainly do not want the people of Berlin to feel that we are going to let them down in any respect. We must stand up for our good friend, Israel, that was put in this special assistance program really by the House Committee on Foreign Affairs, and because it is not an administration request, Israel will be the first one out.

The United Nations Emergency Force funds are likewise supplied by the special assistance provisions, which assures a guard for peace in the Mideast, and it would be serious to eliminate this.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield at that point?

I want to challenge the gentleman's assertion that the administration is not in favor of aid to Israel.

Mr. FULTON. The administration is in favor of aid to Israel. But several members of the Foreign Affairs Committee are the people that got the State Department to assure us that Israel would be in the program under special assistance. Can the gentleman tell me whether Israel was in the bill for special

assistance when the administration request came out? Of course, Israel was not, I will say to the gentleman from Michigan and he knows it.

May I finish further.

Here is our opportunity in Latin America to make good to them when we are not going to give them the full arms aid which they had expected. Here is a chance to show Latin America we stand behind them as good neighbors to help them move forward in the economic development of underdeveloped areas.

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

Mr. MORGAN. I yield.

Mr. LAIRD. I would like to ask the chairman a question. It is my understanding that there is \$5 million here for research work which is going to be carried on through the World Health Organization in the field of medical research. Is it not true that the World Health Organization reduced the amount at the recent meeting so that the maximum amount that is going to be expended by that World Health Organization is \$500,000, of which the United States will only contribute approximately \$200,000 instead of the original request that was contained in this bill?

Mr. MORGAN. There is \$3 million for the malaria fund for WHO.

Mr. LAIRD. I am talking about the medical research fund.

Mr. MORGAN. There is \$3 million for the malaria fund which is controlled by the World Health Organization.

Mr. LAIRD. And there is \$5 million for the medical research program; is that not correct?

Mr. MORGAN. There is only \$1 million here for the medical research.

Mr. LAIRD. It is my understanding that that was going to be the U.S. contribution to the World Health Organization.

Mr. MORGAN. That is true. It is only \$1 million and not \$5 million.

Mr. LAIRD. I think there is more money provided here in the bill than will be necessary to make the U.S. contribution.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to point out further the Hungarian refugee support has been in this special assistance fund as well as the escapees and refugees from behind the Iron Curtain countries. We do need this money and strongly need it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY), there were—ayes 40, noes 101.

So the amendment was rejected.

Mr. GARY. Mr. Chairman, I have an amendment to the bill at page 7. The gentleman from Pennsylvania [Mr. FULTON] has an amendment to a provision of the bill on page 12. I have another amendment to page 13. They all relate to the same subject and I do not think there is any controversy concerning them. Therefore, Mr. Chairman, I

ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. GARY]?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. GARY: On page 7, in lines 17 and 18, strike out the matter which reads as follows: "section 1415 of the Supplemental Appropriation Act, 1953, or."

On page 13, strike out lines 14 through 23 and insert in lieu thereof the following: "Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to and be available for the authorized purposes of the Development Loan Fund in such amounts as may be specified from time to time in appropriation acts."

On page 12, line 13, immediately before "translation", insert "purchase dissemination and"; and on page 12, line 13, immediately before the period insert ", in such amounts as may be specified from time to time in appropriation acts."

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

Mr. GARY. I yield.

Mr. ZABLOCKI. It is my understanding that the committee is going to accept the gentleman's amendments. I would like to inquire of the gentleman whether he can give me some assurance that the Appropriations Committee will give early consideration to the proposal in section 205; and secondly, will the acceptance of the gentleman's amendments prevent the International Cooperation Administration from utilizing foreign currencies available under the authorization of section 104(e) of Public Law 480?

Mr. GARY. It would not. The effect of the amendment to section 205 is merely to prevent the bypassing of the provisions of section 1415; and I, as one member of the Appropriations Committee certainly will say that I am thoroughly in accord with all three sections of the bill which permit the use of local currencies for the purposes stated and I certainly would do whatever I could to see that the proper appropriations are made to carry them out.

Mr. ZABLOCKI. I thank the gentleman.

Mr. GARY. I feel that the foreign currencies should be used wherever they can in the place of dollars, but the Congress should retain control over them. That is all these amendments attempt to do.

May I explain that the amendment to section 401 on page 12, line 13, is the amendment of the distinguished gentleman from Pennsylvania [Mr. FULTON], and I am offering it on his behalf and requesting that it be considered en bloc with my amendments in order to save the time of the House.

Mr. MORGAN. Mr. Chairman, after a careful examination and consultation with the ranking minority member, the committee accepts all three amendments.

The CHAIRMAN. Without objection, the amendments are agreed to.

There was no objection.

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: On page 8, line 16, strike out the quotation mark and immediately below line 16 insert the following:

"Sec. 401A. (a) In keeping with the purpose and objective of the Mutual Security Act, to assist in stabilizing economies, to promote the use of the greatest asset of the United States, and to help eliminate famines and hunger in ways that will promote economic development, the President is authorized during the ten-year period which begins on the date of enactment of this section upon the request by the Secretary General of the United Nations to furnish, without charge, to the United Nations or to any agency thereof, from stocks of the Commodity Credit Corporation, commodities which are surplus, as determined by the Secretary of Agriculture. In making such commodities available to the United Nations or any of its appropriate agencies, the United States shall enter into agreements with the United Nations or any of its appropriate agencies providing that—

"(1) Such commodities shall be used in underdeveloped areas to further (A) industrialization and basic capital improvements including (but not limited to) community development projects, harbors, roads, canals, bridges, schools, factories, dams, and the like; (B) education and educational programs including (but not limited to) school lunch and school clothing programs; (C) national food and fiber reserves.

"(2) The United States will pay the costs of transportation of such commodities within the United States to ports of embarkation; and will pay ocean charges.

"(3) Such commodities shall not replace in the countries of use the usual domestic production or imports of the same or similar commodities;

"(4) Such commodities shall be used solely for domestic consumption in the country to which exported, and shall not be reexported nor shall such commodities be used to replace commercial exports from the United States;

"(5) The President will be kept continually informed with respect to the activities made possible by, and uses made of, commodities furnished by the United States under such agreements, and with respect to whether or not the objectives of the United Nations are being carried out through the programs undertaken pursuant to this Act.

"(b) Agreement shall not be entered into under this section which will call for the furnishing in any calendar year of agricultural commodities representing an investment by the Commodity Credit Corporation in excess of \$250,000,000.

"(c) The President is authorized to cooperate with the Secretary General of the United Nations in bilateral and multilateral operations with other member nations of the United Nations that wish to further their own economic well-being and the objectives of the United Nations through the contribution or use of surplus foods and fibers."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Iowa is not germane to the pending bill.

Mr. WOLF. Mr. Chairman, will the gentleman withhold his point of order until I have made my statement?



Mr. TABER. I do not think I ought to do that.

The CHAIRMAN. Does the gentleman from Iowa [Mr. Wolf] desire to be heard on the point of order?

Mr. WOLF. Mr. Chairman, I think my statement will cover the point of order.

The CHAIRMAN. The Chair wants to hear the gentleman on the point of order. The Chair will hear the gentleman on the germaneness of his amendment.

Mr. WOLF. Mr. Chairman, I feel very sincerely this amendment is germane to the bill. I feel that we are dealing with mutual security; and, surely, the first security of every human in the world is food. That is the basic necessity of mankind. When you are talking about mutual security you are talking about food as a beginning.

Mr. FULTON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. FULTON. Mr. Chairman, in support of the gentleman's amendment, may I say that in both the years 1956 and 1958 the House amended Public Law 480 under the mutual security program, and we amended it by saying how foreign currency shall be distributed; so that we have in this particular Mutual Security Act referred to the distribution of U.S. agricultural surpluses abroad. Already we have a legislative history on that.

The CHAIRMAN (Mr. Mills). The gentleman from Iowa [Mr. Wolf] offers an amendment to which the gentleman from New York [Mr. Taber] makes the point of order that it is not germane to the bill before the Committee.

The Chair has had an opportunity to examine the amendment, also the Mutual Security Act of 1954, as amended, particularly title IV thereof, which has to do with special assistance and other programs, and calls attention to the fact that in title IV there is specific mention of surplus agricultural commodities pursuant to the Agricultural Trade, Development, and Assistance Act of 1954.

The Chair feels that this amendment is germane to the bill now before the Committee, and, therefore, overrules the point of order made by the gentleman from New York.

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

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

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WOLF. Mr. Chairman, I do not wish to yield any further until I have completed my statement. I feel my position very strongly, and I feel that interruptions would interfere with my statement.

Mr. Chairman, this is a food-for-peace amendment.

I want to state that the President of the United States in his state of the

Union message recommended and asked for a food-for-peace program. We have stated in our platforms that we want a food-for-peace bill.

I sincerely believe that my amendment effectuates the objectives of both parties.

I consider the chairman of the Foreign Affairs Committee one of my closest friends and advisers in the House, and I compliment him for the work which he and the membership of the committee have done.

I believe, Mr. Chairman, that defense weapons and technological development have important places in the plan as a whole, but I feel strongly that our agricultural abundance can be used more effectively than it has been as an instrument of our foreign policy.

There is no question that in many of the underdeveloped countries the rate of progress which our technical aid would make possible would be accelerated if the underfed peoples could be assured of adequate diets.

Lack of food and clothing undermines the health, welfare, and morale of people. When adequate supplies of food do not exist, it is impossible for people to divert their productive efforts for any purpose other than the obtaining of sufficient food and fiber. Hence, certain basic capital improvements, such as harbors, roads, canals, and others, cannot take place.

Mr. Chairman, America's agricultural abundance is the greatest single asset we have with which to fight the cold war, but it is consistently the last resource considered, if at all.

We know that it is now possible for food to be used directly in economic development.

Various studies have shown that food and clothing could be used on community development projects in lieu of money payments to previously unemployed workers.

By using our food and fiber resources in this way, the importing nation would be able to take care of the increased demand for food without causing inflation. Furthermore, by using food in this manner, the participating government would be able to utilize capital for increased industrialization rather than diverting this capital for some labor payments or for the procurement of food. Education programs may also be developed.

Agreements would include the use of our food and fiber for the purpose of building national food and fiber reserves in nations susceptible to droughts, floods, or famines. Nations susceptible to such conditions are more likely to be in danger of political, economic, and social instability. Furthermore, such nations are forced to cut back on industrialization. These problems can be averted with adequate national food reserves.

Under the terms of my amendment, agreements may be made for food and fiber resources between the Secretary General of the United Nations and the President during a 10-year period from the date of enactment of this act. The food and fiber resources to be made available for this program are those commodities held by the Commodity Credit Corporation.

It should be understood that as presently contemplated, there will be no costs to the United States beyond that amount already authorized to the Commodity Credit Corporation.

Mr. Chairman, I firmly believe that food and fiber may be used effectively in promoting strong economic conditions, and fostering hope, confidence and human dignity in areas now underdeveloped.

Mr. Chairman, the adoption of my amendment will show the people who are in need of food that the United States is interested not only in their economic development and their military security but in their own personal well-being.

Instead of being a costly and an extravagant program, it will actually save the United States money. This saving will be accomplished in the following way:

Each year it costs us \$28 million to store the \$250 million worth of food authorized to be distributed by my amendment. It will cost approximately \$40 million to transport the amount authorized.

If for 10 straight years the maximum amount of food and fibers were distributed to the areas of the world which need it, we would have distributed \$2,500 million worth of food at a cost of \$400 million. By doing so, we would have saved \$1,540 million in storage costs. Deducting from this the transportation costs involved we come up with a net saving of \$1,140 million.

Let me illustrate:

[In millions]

Year	Amount of food distributed	Amount saved from storage	Cost of shipping
1st.....	\$250	\$28	\$40
2d.....	250	56	40
3d.....	250	84	40
4th.....	250	112	40
5th.....	250	140	40
6th.....	250	168	40
7th.....	250	196	40
8th.....	250	224	40
9th.....	250	252	40
10th.....	250	280	40
Total.....		1,540	400

So, if my amendment were enacted and implemented over a 10-year period, we would actually save ourselves \$1,140 million over and above transportation costs.

Not only would the recipients of this food be happier because of their increased physical well-being, but they would be better able to apply their energies and their thoughts to pursuits which would contribute to their national development.

I would like to close my statement with reasons for attaching this amendment to the Mutual Security Act and putting the plan through the United Nations rather than on a strict bilateral basis.

Today many of the underdeveloped nations of the world look to the United Nations as their protector, as their hope for peace and security. They look to the United Nations because they owe a large degree of their sovereignty and independence to the United Nations.

By proposing an expanded economic industrial development program for the

United Nations which will have as one of its basic features part of our agricultural resources we will have done much to prove our hope that people all over the world may live in dignity and enjoy freedom from want. Furthermore, we will be showing the world that we hold the United Nations as a great instrument for peace and security in this world.

I would like to close my statement by showing you this picture here. This is their food. This is their mutual security. This is the food that they must have in order to subsist. It begins in the home, with the wives and the children.

The CHAIRMAN. The chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise in support of the amendment. This is one of the very rare occasions in which the liberal and the conservative may join hands firmly and sincerely in the support of legislation which represents the best interests of each.

The surplus-reduction program proposed in this amendment promises to alleviate one of the most perplexing and distressing problems in the American economy, the problem of our vast and growing agricultural surpluses.

It also promises to alleviate the most pressing social problem on the globe. This problem is starvation.

The latter makes the liberal's duty on this legislation very clear. The liberal measures legislative values invariably, though not exclusively, by social and human need. His senses of justice and morality are shocked by the very existence of food and fiber surpluses in a world which leaves a majority of its population inadequately clothed and poorly fed. And his same senses are shocked in the extreme by the knowledge that these surpluses rot in storage bins while many nations find economic and social progress impossible simply because their energies are wholly consumed in the quest for the food and fiber they must have to survive.

But I am equally certain the conservative, whose creed stresses fiscal solvency and whose political instincts seek the economic justification in every legislative measure, also sees the merit of the bill.

Our surpluses are now so vast that their storage is a heavy economic burden. We have nearly \$9 billion worth of surpluses under loan and storage. The storage costs on them now run approximately \$600 million annually with the prospect of its going much higher by the end of this year. We have approximately 1,260 million bushels of surplus wheat, and the storage costs run a minimum of 18 cents a year on every bushel.

For slightly more than twice that amount, for about 40 cents a bushel, we can ship surplus wheat to other continents. In other words, we can put the wheat in the hands of people who desperately need it, we can put it to the purpose for which it was grown, for the same price we pay to store it for slightly more than 2 years.

In time, wheat held in storage is likely to rot. And the wheat which does not rot will eat up its own market value in storage costs. That market value will

be eaten up several times over by extended storage.

Since American farms continue to generate food and fiber surpluses, since we foresee no immediate solution to the problem, it seems quite obvious we would be money ahead to ship the surpluses rather than store them.

The objectives of this amendment have been endorsed by the President of the United States. He has repeatedly urged the distribution of our food and fiber surpluses to the needy peoples of southern Asia and to underdeveloped nations elsewhere in the world.

In the name of fiscal responsibility, in the interest of agricultural and economic stability, in the name of kindness, charity, and decency, and in the name of progress and opportunity for all peoples, I urge your support of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I support this amendment because I believe this is one of the real ways in which we can show to the countries and the peoples of the free world that we are interested in them as human beings. I do not know how we can develop our mutual security in a better way than by showing to the people that we are really interested in them as persons. In this way the countries who are free, the countries who want a better way of life, will draw together. I would like to ask the gentleman from Iowa if he could tell us a little bit about the method of distribution to show how it could be done in an efficient way.

Mr. WOLF. I intentionally left this section vague. This is a very difficult section.

I felt that the President of the United States and his appropriate assistants, and the Secretary General of the United Nations would be far better able to work out these details than Congressman LEN WOLF, of Iowa. I have been in several conferences with men at the United Nations and with some State Department people, and they agree that the program can be worked out without interfering with normal trade channels and do a job for the people for whom it is intended.

Mr. MEYER. I think this is the point that should be made, that it is believed by the executive department and other people who are vitally concerned that this can be done efficiently and that the distribution methods can be worked out in a way so that we can secure the maximum good.

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

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

Mr. WOLF. There is already a study being made at the United Nations to effectuate this program if it should succeed. I believe it is only fair to mention that at this point.

Mr. MEYER. I thank the gentleman from Iowa.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment offered by Mr. WOLF: Strike out the period at the end of the sentence and add the following:

"Provided further, That no food or fiber products shall be donated or shipped abroad under the provisions of this section which are not available through domestic programs to assist needy persons within the United States, and unless the Secretary of Agriculture shall have so certified prior to such shipment or donation."

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

Mr. DINGELL. I yield to the distinguished and able gentleman from Iowa [Mr. WOLF], who in just a few short months in Congress has already established himself as a clear thinking, vigorous, able, and courageous liberal Member of this body.

Mr. WOLF. Mr. Chairman, I like this section and would like to have it added to my amendment.

Mr. DINGELL. I thank the gentleman.

Mr. Chairman, I would like to explain briefly the purpose of this amendment, which merely sees to it that charity begins at home.

For comparison I would refer to our experience under Public Law 480. That law has dribbled our surplus food products abroad as gifts or as sales for worthless and blocked currencies, to countries all around the world at times when those same foods have been denied to our hungry here at home. For the benefit of my colleagues here in the House I want to cite some examples of foods given away abroad under Public Law 480 which were never made available under domestic programs to feed our own needy: beef, ham, pork and meat products, chicken, poultry, eggs, beans and beets, and other vegetables, fruits, especially citrus, canned fruit products, dried and frozen fruit juices and fruit products, oils, fats, butter—especially butter, cheeses and other milk products have been shipped abroad under Public Law 480 while our needy folks at home have been denied the benefits of these same products under domestic distribution programs.

The purpose of this amendment to the amendment is simply to see that the same vicious practice long carried on under Public Law 480 does not go on under the program to be established by this amendment.

If my amendment to the amendment is adopted I am satisfied that the proposal of the gentleman from Iowa [Mr. WOLF], is a good one, clearly in the public interest.

I commend the gentleman from Iowa [Mr. WOLF], for the clear, candid, and able way he has presented his amendment, and for the effort and thought which he has given to it. I say that this is just one more thing to prove both the ability and diligence of LEN WOLF.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I wonder if the House realizes what kind of an operation this is. Under it surplus foods would be turned over to the United



Nations. We had a sample of that once before when we had UNRRA and Russia was the chief beneficiary. Russia got the credit for all that was sent over. Maybe you folks want to do that, maybe you want to get back into something that has proved a failure and gotten us into difficulty.

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

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Does the gentleman know of any machinery that the United Nations has for distributing these food-stuffs?

Mr. TABER. No; but I am sure that something of that kind would be worked out so that Russia would have a finger in the pie.

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

Mr. TABER. I yield to the gentleman from Michigan.

Mr. BENTLEY. Is it not a fact that when the UNRRA program was in operation in the Communist countries, the Communist governments themselves controlled the distribution of that food and only made it available to their own party members?

Mr. TABER. That is exactly correct; and that is what would happen here.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. THOMSON of Wyoming. Cannot the same objectives be attained and are they not being achieved under Public Law 480 program which is under direct control of the United States?

Mr. TABER. If the proponents of this wanted simply to take care of those nations that were friendly to us, that would be so; but that is not the picture.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, this is not a completely new idea. This Congress has heretofore enacted Public Law 480. We heard the President request a food-for-peace plan. We have been waiting to see such a measure brought to the floor. The only difference here is that this amendment proposes a 10-year program. We heard the Secretary say to the Committee on Agriculture that he had trouble sending food overseas on a year-to-year basis. He would have less trouble if we went on a long-term basis. People who have to work in the field of international affairs indicate that they would much prefer a continuing program. The virtue of this amendment is that we move from a year-to-year, catch-as-catch-can program, to a 10-year program. We heard earlier today about the wheat surpluses. Reduction of those surpluses is one concern of this country that will be helped by the adoption of this amendment.

Let me turn to distribution through the United Nations. The Communist countries are not in full control of the United Nations. There are 81 countries in the U.N. Of course, this food will be used in those areas of food deficits. I happen to be one of those who believes

there was some wisdom in the remarks of the man from Jerusalem who said:

Therefore if thine enemy hunger, feed him; if he thirst, give him drink: for in so doing thou shalt heap coals of fire on his head.

I am not afraid to put this program in the hands of the United Nations and make it a 10-year program. Certainly, the provision of food to those who are hungry does not only provide for their security, but it will provide for our security as well. It will provide for the security of the whole world. Mr. Chairman, I urge the adoption of this amendment. I think it is in keeping with the spirit of what the Congress has heretofore done and in keeping with what the President has recommended.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Chairman, the men in the Kremlin have been bragging for a long time about their sputnik. They have been bragging for a long time about their great achievements in the scientific field. But there is one area in which the Russians do not brag. There is one area in which the Russians do not even attempt to say that they compete with the United States and that is in the area of production of food and fiber. Sometimes I wonder what Nikita Khrushchev would do with the great power in the great abundance of food and fiber that we have in this bountiful land of ours. Mr. Chairman, I have a deep feeling that he would use it very effectively to win the minds and hearts of men and women throughout the world. Our country, apparently, is the only country in the world that has to come to grips with a problem called overabundance—surpluses. We had a bitter debate on the floor this morning on the question of what was the best way to handle that problem. It seems to me in adopting this amendment we can demonstrate to the world the great humanitarian side of America. I have seen hunger on the march in "Seven League Boots" across the world, and I can say to you, Mr. Chairman, food has a universal language that even a little child can understand. I think we would be losing a great opportunity to heighten our stature in the free world, if we were to defeat this amendment.

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

Mr. JUDD. Mr. Chairman, this is a most appealing amendment, because we have food surpluses and the world has hungry people. But I cannot for a moment believe it is a wise idea for us here today to accept this amendment. No hearings have been held on this new proposal by any committee of the Congress. It involves our international relations all around the world. One of the most dangerous things from the standpoint of good relations between countries is food, should it be misused and disrupt normal trade patterns or historic markets, or if its distribution gets into the hands of authorities who allow it to go only to those who join

their party or program, and deny it to others.

Again, this proposal would place a burden upon the United Nations which that organization is simply in no position to handle. I do not think anybody in the Congress will accuse me of not being a supporter of the United Nations, but this is not in its line, and I do not want to wreck it by putting on it a tremendous task that it is not set up or equipped to handle. The United Nations is a magnificent forum to investigate, to expose, to debate, to express collective judgments, and to bring matters to the bar of world public opinion. But it is not a government or an operating agency and to try to make it one by act of Congress will not succeed. The Security Council is captive to the veto of the Soviet Union, the assembly has 81 countries with each having one vote. They range from the United States with almost half of the world's wealth to a country that will come into being and undoubtedly be admitted next year that has 1.3 million people with a gross national product of \$31 per capita per year and 1 percent literacy. That is the sort of control under which you would place \$250 million worth of surplus food and fiber each year.

Mr. Chairman, this ought to be carefully discussed first with the Food and Agriculture Organization of the United Nations itself. We all see the good objectives and fine purposes of the amendment, but we cannot foresee at a glance the bad results that could come from it. Look at the bad relations that have been created even with our closest neighbor and friend, Canada, through our program of disposal of surplus agricultural products around the world. Is the UN likely to do better? Mr. Chairman, this is too big a thing and too far reaching a proposal to adopt today without comprehensive hearings and consideration by responsible committees of this Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MORGAN] to close debate on the pending amendment.

Mr. MORGAN. Mr. Chairman, I have held meetings with the gentleman from Iowa on this amendment for 2 days. I, too, want to say his amendment has a great deal of appeal. I know that the gentleman from Iowa as well as many, many other Members of the House have a great deal of interest in this amendment. There have been about 27 different bills dealing with this subject introduced in the House which have been referred to the Committee on Agriculture. The United Nations under this amendment has no machinery to dispose of \$250 million worth of surplus food and fiber.

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

Mr. MORGAN. I yield.

Mr. WOLF. I would like to point out that the wording is "up to \$250 million." That would not require it until they have the machinery set up to accept it.

Mr. MORGAN. The bill carries \$250 million.

Mr. WOLF. Up to \$250 million.

Mr. MORGAN. I am like the gentleman from Minnesota [Mr. Judd]; I do not know what this would do to our foreign policy all around the world and to our international agricultural programs. I think the amendment has a lot of appeal but I think there should be hearings on it and we should hear the testimony of representatives of the Department of Agriculture, the Food and Agriculture Organization of the U.N. and the Department of State. Therefore I ask for its defeat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan to the amendment offered by the gentleman from Iowa [Mr. Wolf].

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Iowa [Mr. Wolf].

The question was taken, and on a division (demanded by Mr. Wolf) there were—ayes 47, noes 96.

So the amendment was rejected.

The Clerk read as follows:

#### CHAPTER III—CONTINGENCY FUND

Sec. 301. Section 451(b) of the Mutual Security Act of 1954, as amended, which relates to the President's special authority and contingency fund, is amended by striking out "1959" and "\$155,000,000" in the first sentence and substituting "1960" and "\$100,000,000", respectively.

#### CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS

Sec. 401. Chapter IV of the Mutual Security Act of 1954, as amended, which relates to general and administrative provisions, is amended as follows:

(a) In section 501, which relates to transferability of funds, insert "(a)" immediately after "TRANSFERABILITY OF FUNDS.—", and add the following new subsection at the end thereof:

"(b) In view of the rapidly increasing danger to the independence of friendly countries which is presented by the trade and assistance programs of international communism, and notwithstanding subsection (a) of this section and the sixth sentence of section 202(b), the President is authorized to transfer to and consolidated with funds made available for nonmilitary use under titles II, III, and IV of chapter II up to 30 per centum of the funds made available for military use under chapter I."

(b)(1) Add at the end of section 502, which relates to use of foreign currency, the following new subsection:

"(c) Notwithstanding any other provision of law, foreign currencies available to the United States for utilization under this or any other Act may be utilized by the President, in his discretion, for science and research, including the translation of scientific books and treatises."

(2) In section 503, which relates to termination of assistance, insert "(a)" immediately after "TERMINATION OF ASSISTANCE.—", and add at the end thereof the following:

"(b) In any case in which a nation shall hereafter expropriate or confiscate the property of any person as defined in section 413(b) of this Act and shall fail within six months of such expropriation or confiscation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such person, the President shall withhold assistance under this Act or any other Act to such nation."

(c) In section 505(b), which relates to loan assistance and sales, strike out the

third sentence and substitute the following: "United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad as such requirements may be determined from time to time by the President, shall be credited to the Development Loan Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of title II of chapter II of this Act."

(d) In section 510, which relates to purchase of commodities, delete the comma following the words "industrial mobilization base" in the third sentence and insert the following: "or to the net position of the United States in its balance of trade with the rest of the world."

(e) In section 517, which relates to completion of plans and cost estimates, delete the words "title I or" in the first sentence, and insert "title I, II, or", and add at the end of such section the following: "With respect to any loan made under the provisions of title II of chapter II, the President, if he finds it to be in the interests of the United States, may waive any provision of this section."

(f) In section 523(b), which relates to coordination with foreign policy, add the following new sentence: "The chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations."

(g) Amend section 527, which relates to employment of personnel, as follows:

(1) In subsection (b), strike out "sixty" and "thirty-five" in the first sentence and substitute "sixty-five" and "forty", respectively; and add the following new sentence at the end thereof: "One of the offices established by section 1(d) of Reorganization Plan Numbered 7 of 1953 may notwithstanding the provisions of any other law be compensated at a rate not in excess of \$20,000 per annum."

(2) In subsection (c), immediately below paragraph (2), insert the following: "To the maximum extent feasible, personnel appointed under this Act to perform services outside the United States shall be appointed in accordance with the civil service laws."

(h) Insert immediately after section 533 the following new section:

"SEC. 533A. INSPECTOR GENERAL AND COMPTROLLER.—(a) There is hereby established in the Department of State an office to be known as the 'Office of the Inspector General and Comptroller', which shall be headed by an officer designated as the 'Inspector General and Comptroller', whose salary shall be fixed at the maximum rate provided by section 527(b), and who shall be appointed by and be responsible to an Under Secretary of State designated for such purpose by the Secretary of State. In addition, there shall be a Deputy Inspector General and Comptroller, whose salary shall not exceed the maximum rate provided under the General Schedule of the Classification Act of 1949, as amended, and such other personnel as may be required to carry out the func-

tions vested in the Inspector General and Comptroller by or pursuant to this section.

"(b) There are hereby transferred to the Inspector General and Comptroller all functions, powers, and duties of the Office of Evaluation of the International Cooperation Administration, and so much of the functions, powers, and duties of the Office of Personnel Security and Integrity as relate to investigations of improper activities in connection with programs under the International Cooperation Administration.

"(c) The Inspector General and Comptroller shall have the following duties:

"(1) Establishing a system of financial controls designed to insure compliance with applicable laws and regulations in carrying out programs under the provisions of chapter I, of titles I, II, III (except section 306), and IV (except sections 405, 406, 407, and 408) of chapter II and of chapter III of this Act;

"(2) Advising and consulting with the Secretary of Defense or his delegate with respect to the controls, standards, and procedures established under this section insofar as such controls, standards, and procedures relate to assistance furnished under chapter I of this Act;

"(3) Establishing policies and standards providing for extensive internal audits of program activities under the provisions of this Act referred to in paragraph (1);

"(4) Reviewing and approving internal audit programs under this section, and coordinating such programs with the General Accounting Office and the appropriate official of other Government departments in order to insure maximum audit coverage and to avoid duplication of effort;

"(5) Reviewing audit findings and recommendations of operating agencies and the action taken thereon, and making recommendations with respect thereto to the Under Secretary of State and other appropriate officials;

"(6) Conducting or requiring the conduct of such special audits as in his judgment may be required in individual cases, and of inspections with respect to end-item use in foreign countries;

"(7) Prescribing a system of financial and statistical reporting with respect to all programs carried out under the provisions of this Act referred to in paragraph (1);

"(8) Advising the Under Secretary of State and other appropriate officials on fiscal and budgetary aspects of proposed programs under this Act;

"(9) Designing the form and prescribing the financial and statistical content of the annual program presentation to the Congress; and

"(10) Carrying out such other duties as may be vested in him by the Under Secretary of State.

"(d) Expenses of the Office of the Inspector General and Comptroller with respect to programs under this Act shall be charged to the appropriations made to carry out such programs."

(i) Amend section 537, which relates to provisions on uses of funds, as follows:

(1) In subsection (c), strike out "\$26,000,000" and substitute "\$27,750,000".

(2) Amend subsection (f) to read as follows:

"(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act, there shall be submitted a detailed report on the assistance to be furnished, country-by-country, under title I of chapter II, and under section 400(a), of this Act. The report with respect to each country shall contain a clear and detailed explanation of the proposed level of aid for such country, and shall include a listing of all significant factors considered in determining the level of aid for such country; the reason for including each such factor and an explanation of



the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country. In addition, with respect to assistance proposed to be furnished under title I of chapter II of this Act, the report shall contain a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such aid is proposed to be furnished; the method by which such force objectives were arrived at; and where the force objectives differ from the actual level of forces in any such country, an explanation, in detail, of the reason for the difference in such level of forces."

(j) In section 543(d), which relates to saving provisions, strike out the words between "repealed" and "shall" in the first sentence and substitute "subsequent to the time such funds are appropriated"; insert "or subsequent Acts" after "1957" both times it appears in the second sentence; and strike out the last sentence.

(k) Section 549, which relates to special provisions on availability of funds, is repealed.

#### CHAPTER V—INTERNATIONAL COOPERATION IN HEALTH; COLOMBO PLAN COUNCIL FOR TECHNICAL COOPERATION; AND AMENDMENTS TO OTHER LAWS

##### *International cooperation in health*

SEC. 501. The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

##### *Colombo plan council for technical cooperation*

SEC. 502. To enable the United States to maintain membership in the Colombo Plan Council for Technical Cooperation, there is hereby authorized to be appropriated from time to time to the Department of State such sums as may be necessary for the payment by the United States of its share of the expenses of the Colombo Plan Council for Technical Cooperation.

##### *Amendments to other laws*

SEC. 503. The Defense Base Act, as amended (42 U.S.C. 1651), is further amended by inserting in subsection (e) of the first section, between "the approval of this Act," and "and contracting officers" in the first sentence, the following: "and the liability under this Act of a contractor, subcontractor, or subordinate contractor engaged in performance of contracts, subcontracts, or subordinate contracts specified in subparagraph (5), subdivision (a) of this section, and the conditions set forth therein, shall hereafter be applicable to the remaining terms of such contracts, subcontracts, and subordinate contracts entered into prior to June 30, 1958, but not completed on the date of the enactment of the Mutual Security Act of 1959,".

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, but open to amendment at any section.

Mr. HAYS. Mr. Chairman, reserving the right to object, does that throw open to amendment the part of the bill already

considered or just the remainder of the bill?

The CHAIRMAN. Just the remainder of the bill, from this point on.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Illinois: On page 10, strike out all of lines 14, 15, and 16, and renumber the paragraphs.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Have we not passed this section of the bill?

The CHAIRMAN. The Clerk had just concluded reading that section when the amendment was offered 5 minutes ago.

The gentleman from Illinois is recognized in support of his amendment.

Mr. O'HARA of Illinois. Mr. Chairman, this is the first participation of mine in the debate since we have been under the 5-minute rule. I have left it to my distinguished colleagues and the very able chairman of the committee to cover all of the wide expanse of subjects involved in mutual security. I have reserved what little time I thought was proper for one Member to use to present to my colleagues what I regard as one of the most important amendments if not indeed the most important amendment offered for consideration here today.

I must say at the beginning that I submitted the amendment to the Committee on Foreign Affairs, of which I am a member, and I think through confusion obtaining at the time and through lack of understanding the amendment was not accepted by my committee. I trust now that the members of my committee will honor me by listening to a presentment perhaps a little fuller and more understandable. I do have great respect for the ability, the industry, and the dedication of every member of that committee.

Mr. Chairman, an amendment substantially similar to mine was presented to the Foreign Relations Committee in the other body, and I am told was adopted by a unanimous vote. Now, it is not that we are following the other body, but certainly its action should indicate that there is some validity in my position.

This amendment strikes out the authority for the investment guarantee program to increase without any required increase in premium, its risk coverage to include insurrection, rebellion, and civil strife incident thereto.

Back in World War I the Government had a program furnishing war risk insurance. The Rhode Island Insurance Co. sold war risk insurance in competition with the Government war risk insurance and the first year made \$6 million. Then encouraged by its success and wishing to attract more business by offering a broader coverage it included damage occasioned by civil strife. As a result this company that had sold war risk insurance at a profit of \$6 million in 1 year, went busted the

second year when it included coverage of damage arising from civil strife.

That is exactly what I fear will happen to the investment guarantee program if we permit it to follow the pattern of the Rhode Island Insurance Company in the World War I period. The investment guarantee program I regard as the most important instrumentality we have in this field. More and more our private investments are going into foreign countries, and certainly those of us who have regard for the American taxpayers wish to continue, strengthened and not imperiled, the one program which in a greater measure than any other, offers ultimate relief from the drain on Federal funds. Last year more investment guarantee insurance was sold than in the preceding 9 years combined. Not a nickel has been lost in the program, indeed a substantial profit has been made.

I am very much afraid all this would be reversed if we followed the ill-fated example of the Rhode Island Insurance Co. and sought to protect any losses arising from civil strife. What is a civil strife?

Furthermore, I am concerned because of the greater likelihood of the United States being put under charge on suspicion of interference in the domestic affairs of another nation if an instrumentality of our Government wrote insurance against losses occasioned by civil strife. Again what are civil strife?

I have a very deep interest in the investment guarantee program. In an humble way I am one of the fathers of that program, which originated in the 81st Congress as part of the implementing machinery for President Truman's point 4 program. As a member then of the Banking and Currency Committee I participated actively in the hearings on the measure beginning on May 23, 1949. I would be the last person in the world to wish to do harm to a program I in my small way helped to create. I do not wish a program that has accomplished so much and offers us one of our brightest hopes to go the way of the Rhode Island Insurance Co. in the World War I period. Nor do I wish our country thoughtlessly to do anything, even with good intentions, that might put us in the light of interference in the domestic affairs of another nation.

I earnestly urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I think this matter is very important and certainly I believe there should be more time given to the discussion than just taking a vote now.

The CHAIRMAN. The Chair did not observe anyone standing.

Mr. O'HARA of Illinois. Mr. Chairman, I move that one-half hour be given to discussing my amendment.

The CHAIRMAN. The gentleman's motion is not in order.

Mr. COFFIN. Mr. Chairman, I think the gentleman from Illinois is entitled to have his amendment discussed very seriously, and I hope that we can focus on the argument so that the debate will

have quality without an excessive amount of quantity at this late hour. All of our committee respects the gentleman from Illinois a great deal. He has made a great contribution, and I think we listened to him with the utmost seriousness when he proposed this amendment in committee. We did not follow him at that time because of the evidence we heard not only from the State Department itself but from the chief of the Investment Guarantee Division of International Cooperation Administration and the Committee on World Economic Practices, the so-called Boeschenstein Committee.

They noted that we were not attracting to our investment guarantee program all of the business interests that we should. The program has been most effective in the past. It does not cost us, in the sense of a grant. We charge fees for this guarantee and we have been running at a profit. There have been no claims made on the fund.

This adds the risk of insurrection or civil strife based on insurrection. In the opinion of these experts such a guarantee would be of sufficient incentive to draw into the undeveloped areas private industry.

That is what we want. To the extent that we can entice private enterprise to these underdeveloped areas, we reduce the burden of the American taxpayer, and we build into that country not only economic facilities but the great middle class that alone can guarantee that these countries will grow to be stable and free countries. This does not involve money. This is a natural outgrowth of the program that has been in effect some years and is perhaps as much above criticism as any program which we have devised.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this provision in the bill to provide guarantees against revolution and insurrection in foreign countries could open up a Pandora's box. This would provide, I take it, that guarantees could be issued against an insurrection or revolution in France, for instance. What is underdeveloped about France?

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

Mr. GROSS. Yes; I yield.

Mr. COFFIN. Most of the investment of private business of this country overseas is in either Western Europe or North or South America. They do not use this program to the extent that the company goes into an underdeveloped area would use it.

Mr. GROSS. Is the gentleman saying it could not be used in France or Italy or in any other country in Western Europe?

Mr. COFFIN. No. As the gentleman knows, it is used in Italy. He cited a case the other day.

Mr. GROSS. And you already have millions of dollars of guarantees in these countries, and you want still more.

Mr. COFFIN. Existing guarantees.

Mr. GROSS. It is like a bank deposit guarantee.

Mr. COFFIN. With no losses.

Mr. GROSS. You have not had time to have losses.

Mr. COFFIN. Oh, yes. It has been in effect some years now.

Mr. GROSS. You now have guarantees against war damage, guarantees against convertibility and against confiscation. How much more do you want? Now, why open this thing up to cover revolution and insurrection?

Mr. Chairman, I do not want to take further time of the committee on this. I have an amendment to offer to this particular section later. I cannot support guaranteeing American investors against insurrection and revolution. I urge adoption of the amendment.

Mr. COFFIN. Is the gentleman aware of the Boeschenstein report on the subject?

Mr. GROSS. No; I am not aware of the Boeschenstein report. We are being suffocated with reports from high-priced consultants and special committees.

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

The question is on the amendment offered by the gentleman from Illinois [Mr. O'HARA].

The amendment was agreed to.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 11, strike out line 18 and all that follows down through line 6 on page 12, and reletter the following subsections accordingly.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ADAIR. I object, Mr. Chairman.

Mr. MORGAN. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

Mr. ADAIR. Mr. Chairman, the purpose of this amendment is to remove from the bill certain additional rights of transferability which were written in by the committee. Under the law as it now exists it is possible to take 10 percent from the military assistance funds and use that money for certain economic purposes. The committee added a provision which would make it possible to take an additional 30 percent of military assistance funds and use that for the Development Loan Fund, for special assistance or for technical cooperation.

Under the existing 10-percent provision, which is already in the law—and I wish the Members would keep these figures in mind—more than \$1.8 billion of military funds have been taken out and used for economic purposes since 1950.

We were told yesterday that we need every dime that is in this bill for military assistance. In response to my questioning, the chairman of the Committee on Foreign Affairs said that on the floor of this House. But yet, if we permit this wording to remain in the bill, in addition to the 10 percent which we can now take out of military assistance, we

can take an additional 30 percent; that is, the Executive can transfer it and use it for economic purposes. Under existing law the 10 percent may not be transferred into the Development Loan Fund. However, even that limitation does not apply with respect to the 30 percent. As I pointed out a moment ago the 30 percent can go into that Development Loan Fund.

If, as the House indicated by its vote, declining to reduce further the military assistance funds—if we need that amount of money which is in the bill, then certainly we have no justification for giving this additional 30 percent transferability privilege. I would further point out that the Executive did not ask for this privilege. Here, again, we are offering something which was not requested. The Executive said in effect, "We can get along as we have in the past very nicely with the 10 percent." Nothing was said about the additional 30 percent by witnesses who came before the committee. I say to the Members of this House that if my amendment is adopted, the 30 percent language would be removed, leaving the 10 percent still there. If the 30 percent is to remain, then we will have taken a step again away from our congressional responsibility. We will be saying in effect to the Executive, "Oh, yes, we authorized almost \$1.5 billion for military assistance, but we did not really mean it. You can take about half a billion dollars and use it for these other purposes if you wish."

Therefore, I say to the House that my amendment ought to be adopted so that the funds will be used for the purposes for which we have authorized them.

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

Mr. ADAIR. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, just a few minutes ago we had quite a debate on whether we should retain the amount of \$250 million for special assistance and the House voted to retain that amount. Would it not be possible under this 30 percent amendment to transfer 30 percent of the Military Assistance fund to that one item alone, and instead of making it \$250 million, it would become \$400 or \$500 million, absolutely contrary to the intent of the Congress?

Mr. ADAIR. It certainly would; the gentleman is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware, Mr. McDowell.

Mr. McDOWELL. Mr. Chairman, I offer a perfecting amendment to the bill.

The Clerk read as follows:

Amendment offered by Mr. McDOWELL as a perfecting amendment to the bill: On page 12, lines 1 and 2, strike out "and the sixth sentence of section 202(b)", and on line 4, of page 12, strike out "II, III," and insert in lieu thereof "III."

Mr. McDOWELL. Mr. Chairman, I agree with the gentlemen who have said that the bill as it is now written would permit the transfer of 30 percent to the Development Loan Fund as well as to other sections of the bill. I agree with him that that should not happen.



I think the Development Loan Fund has a specific purpose and a very good purpose. I am sorry that the House in its wisdom saw fit to further reduce the capitalization of the Development Loan Fund, however, I feel that the other body, perhaps, will help on that situation. I do believe that this provision of 30-percent flexibility should be retained. After all, today one of the main problems and the only real purpose for this program at all is to stop Russian communism. Today the direction of Russian communism is flexible. If we do not have flexibility to meet flexibility, then I do not think we can properly combat the spread of Russian communism in these underdeveloped countries.

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

Mr. McDOWELL. I yield.

Mr. ADAIR. Do I understand the gentleman's amendment would make it impossible to use the 30-percent transferability to transfer into the Development Loan Fund, but would make the 30 percent available for transfer into special assistance and technical cooperation?

Mr. McDOWELL. That is my understanding.

Mr. ADAIR. Then the only thing it would do is take away the right to transfer to the Development Loan Fund?

Mr. McDOWELL. That is correct. That is my understanding.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the only reason to vote for this bill is the provision on page 11 and previous pages of the bill which provide for military assistance and defense support. This language at top of page 12 permits military assistance to be completely destroyed. At the present time \$2 billion a year has been sent from this country to other countries that need it and to help them defend themselves; such as Korea, Vietnam, Burma, the Philippines, Indonesia, Afghanistan, Iran, Greece, and Turkey. Those people do not have any chance to borrow anything and pay it back. They are providing the soldiers and crucial positions to protect the United States. That is being done for very much less than half or even a quarter of what it would cost us to maintain our own troops over there. Why should we try to mess this thing up and mess this law up so that it is absolutely worthless and so destroy the main thing that we should have. Let us adopt this amendment and strike it out.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

(By unanimous consent, the time allotted to Mr. LAIRD was given to Mr. FORD.)

Mr. FORD. Mr. Chairman, the Adair amendment must be approved if Congress is to retain fiscal control over this program. Under the bill, as we have it before us, we have a recommendation for \$1,440 million for military assistance and approximately \$2,100 million for various types of economic assistance.

In other words, about three-fifths of the bill goes for economic assistance and approximately two-fifths goes for military assistance.

Under the provision, if it becomes law, \$432 million can be transferred from the military assistance part of the law to all or most of the nonmilitary portions of the program. In other words, the executive branch could take \$432 million from military hardware and transfer the funds over to some of these economic assistance programs which, in my opinion, are amply funded at the present time. If Congress wants to follow the regular procedure, and this is a copy of one of the justification books which Dr. Morgan's committee spent weeks and weeks on and which the Subcommittee on Mutual Security Appropriations is now spending weeks on, where we get detailed justifications as to the military hardware which is requested and which is necessary, according to the Chiefs of Staff, if we believe in the integrity of these presentations, this amendment should be approved and the provisions should be stricken from the bill.

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

Mr. FORD. Gladly.

Mr. GARY. May I say to the gentleman that I am in absolute accord with his views, and I hope the amendment will be adopted.

Mr. FORD. Here is a secret justification sheet for one of the most important countries in the program, one of our most ardent and finest allies. It shows the amount of military assistance which will come out of this program for their benefit and for ours. This has been, or will be, detailed as to justification before four committees of the Congress. If this provision remains in the bill you might as well strip the military justification sheet right from this secret document book and throw it away.

I strongly feel that this provision must be stricken for our own national security, particularly when all these economic programs are amply funded and have been amply funded. It would be folly for Congress to abdicate its authority and control by authorizing up to 30 percent in transfers from military to economic programs. The law presently provides that the Executive can transfer up to 10 percent if necessary, and that is ample transfer authority.

May I say in conclusion that we believe that this is a twofold program: One, of economic assistance, and two, for military assistance. I subscribe to both. However, I also believe that the Congress should retain certain control over how these programs should be administered; and if this provision is left in the bill we will lose fiscal control for the Congress. I think that is bad for the country.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, first I should like to associate myself with the very cogent argument just now concluded by my colleague from Michigan [Mr. FORD]. But in addition to that I would like to point out from the experi-

ence of the Hardy subcommittee of the Government Operations Committee that it is laxity in the administration of this act and too much flexibility which has given rise to many of the deficiencies which have been exposed by the inquiries of that committee.

As the gentleman from Michigan has pointed out, Congress works its will and after this bill becomes law it is the will of Congress. We debate day after day, adopt amendments in the committee and on the House floor, and after we are all through with the debate and solemnly writing a bill this transfer section tells the administrators: "Go ahead and do it any way you want to regardless of how Congress shaped the program." We should specify in this legislation how we want this program carried out and stick by our decision.

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

Mr. MEADER. I yield to the gentleman from Virginia.

Mr. HARDY. I would just like to make this observation: Flexibility in policy has caused most of the difficulty this program has experienced, and greater flexibility would increase the problems accordingly.

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

Mr. MEADER. I yield.

Mr. HOLIFIELD. I intend to support the gentleman's amendment. After the consideration we have given this for 3 or 4 days I do not think we should turn 30-percent control over to anybody.

Mr. MEADER. I thank the gentleman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized to conclude debate on the pending amendment.

Mr. MORGAN. Mr. Chairman, this provision of the bill was incorporated by the Committee on Foreign Affairs. The Executive did not ask for it.

I understand this amendment is included in the Senate bill, and we are going to have to contend with this amendment in conference.

A lot has been said about abuse. There has not been any abuse of this transferability clause in the last 3 years. I am advised that in 1957 the transferability clause was not used a single time; that in 1958 it was used to the extent of \$25 million; 1959 only \$4 million.

I do not think there is going to be too much abuse. The gentleman from Delaware has offered an amendment to take out of the development loan section the 30 percent transferability. This will limit the authority under this section and cut down the possibility of abuse.

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

Mr. MORGAN. I yield to the gentleman from Virginia.

Mr. GARY. If they have had this 10 percent transferability clause in the bill heretofore and they have not used it, what purpose could there be in increasing it to 30 percent?

Mr. MORGAN. An incident might arise such as in Indochina in 1954, when a great amount of funds was transferred from the military assistance portion to

the economic section to save some countries, including China.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Delaware [Mr. McDowell].

The perfecting amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The amendment was agreed to.

Mr. BECKWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKWORTH: On page 14, immediately following line 12, insert a new subsection 401(f), as follows:

"(f) Insert immediately after section 517 the following new section:

"Sec. 518. To the maximum extent feasible, all contracts for construction outside the United States made in connection with any agreement or grant subject to this section shall be made through competitive bidding."

And reletter the remaining subsections.

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

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

Mr. MORGAN. Mr. Chairman, the gentleman prepared this amendment during the markup of the bill, but it came to the committee too late for incorporation in the bill. After discussions which were held prior to the markup of the bill, the committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BECKWORTH].

The amendment was agreed to.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 14, line 8, strike out ", and add" and all that follows down through line 12 on page 14, and insert in lieu thereof a period.

Mr. BENTLEY. Mr. Chairman, this is an amendment to section 517 bill entitled "Completion of Plans and Cost Estimates."

This section provides that no agreement or grant which constitutes an obligation of the United States shall be made for any assistance authorized under titles I, II, and III, unless "if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States of providing such assistance, have been completed."

That, I think, is a very fine provision.

Section 517 also requires no agreement or grant be made "if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed within 1 year from the date the agreement or grant is made."

Mr. Chairman, those two provisions are already in the law with regard to any agreement or grant constituting an obligation of our country. The committee wrote in a provision that those two

very fine and worthy conditions with respect to plans and cost estimates could be waived with respect to any agreement entered into under the Development Loan Fund. I see no reason for any such waiver with respect to the Development Loan Fund. I think the loans or agreements made under the Development Loan Fund should be subject to the same conditions that are already in the bill in respect to any other agreements or grants which constitute an obligation of this country.

Mr. Chairman, I ask that my amendment be adopted and that this waiver provision for the Development Loan Fund be stricken out of the language of the bill.

Mr. COFFIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, the committee did a service last year by writing section 517 into the bill. The committee did a service this year by bringing the Loan Fund under this provision.

We say that if, in the judgment of the President our national interest requires, he may be able to negotiate a tentative commitment with a country before the actual projects themselves are firmed up. At the present time before a loan agreement is signed, these projects are firmed up. I have every confidence they will continue to be. But if the Loan Fund is to be an instrument of national policy, we ought to leave a loophole for the President.

This is in accordance with the thinking of the House which has built in a 10 percent transferability clause into this act. That is a safety valve that we need.

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

Mr. COFFIN. I yield to the gentleman from Michigan.

Mr. BENTLEY. Does the gentleman think we should make loans of any type anywhere for projects that are not even in the planning stage yet?

Mr. COFFIN. There are times when the President would have to be in a position to make an agreement with a country depending on subsequent plans that may come after the agreement. For example, and I am thinking of India, the President should be in position to say, "Yes, we will make available X million dollars before and dependent upon the receipt of actual plans."

Mr. BENTLEY. Without any plans being made available?

Mr. COFFIN. Before the money is expended, plans would have to be made available and to conform to prevailing standards, of course. We do not want to tie the President's hands completely. We are requiring this decision to be made at the highest level, but we think that kind of a safety valve is necessary.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 43, noes 81.

So the amendment was rejected.

Mr. HARDY. Mr. Chairman, I have two amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. HARDY: On page 18, line 2, strike out the period and insert a colon and the following:

"Provided, That all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the Office of Inspector General and Comptroller shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Office, upon request of the General Accounting Office or such committee or subcommittee as the may may be."

On page 18, immediately below line 2, insert the following:

"(1) Amend section 534, which relates to reports to the Congress, by inserting '(a)' immediately after 'Reports.—' and by adding at the end thereof the following:

"(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration upon request of the General Accounting Office or such committee or subcommittee as the case may be."

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

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

Mr. MORGAN. Mr. Chairman, first I want to pay tribute to the gentleman from Virginia and his Subcommittee on Government Operations which has worked in very close cooperation with the Committee on Foreign Affairs. We worked very closely with him today in adjusting and improving these amendments, and I can say, after consultation with the minority side, that we have no objection to the incorporation of the amendments.

Mr. HARDY. Mr. Chairman, I am deeply indebted to the gentleman from Pennsylvania, and I want to thank him and his whole committee for their consideration of the several suggestions which I have made on behalf of our subcommittee. There has been a fine relationship between our two committees and I feel confident this has been mutually helpful in the discharge of our respective duties.

Mr. Chairman, when I spoke on the floor during general debate I called attention to the degree to which Congress has lost control of the mutual security program. I said:

We have responsibilities for exercising judgment just as the Executive does. We ought to form our judgments independently, but we cannot do this unless we require the agencies to give us full and complete factual information. It is our duty to inquire into every aspect of foreign aid. It is our duty to require that not some, but all of the relevant facts about its operation be



made known to us. It is our duty to discover its weaknesses and to insist that they be corrected.

If we can assure for the Congress full and complete information which will enable us to continue to pinpoint weaknesses in the administration perhaps we may be able yet to see the foreign aid program administered with a creditable type of performance.

The obtaining of full information has been difficult both for congressional committees and for the General Accounting Office, the Congress' administrative watchdog.

On May 5 of this year, Mr. Leonard J. Saccio, who was then Acting Director of the International Cooperation Administration, testified before the Senate Subcommittee on Constitutional Rights. Involved was a question as to the right of the General Accounting Office to see certain ICA documents. During his testimony, he said, in part:

I am not falling back, now, on legal distinctions or principles here. I am saying, in effect, that if ICA wanted to apply the executive privilege, GAO would not see one thing, because practically every document in our agency has an opinion or a piece of advice.

What this amounts to is a clear assertion by the International Cooperation Administration that its officials can refuse to reveal to the General Accounting Office anything that they feel like refusing. If they can deny this information to the GAO, they can also deny it to the Congress.

This is an intolerable situation. It is unthinkable that the Congress can secure the information it needs to perform its constitutional responsibilities only at the sufferance of administrative personnel.

We have a right, as we have a duty, to examine any and all executive branch information which we may consider necessary in the evaluation of the foreign aid program.

I am offering two amendments which make this right clear. They are almost identical in wording. One requires that the International Cooperation Administration must provide the Congress and the GAO upon request with any and all information needed to evaluate the performance of that agency.

The other requires the newly created Office of the Inspector General and Comptroller, which will function under the Department of State, to provide similar information. It should be noted that if this Office does not supply the information requested, the funds set aside for its operation are not to be available.

These amendments will vastly improve the bill. The lack of a definite statutory mandate for providing Congress with information has hampered us all, and correction of this situation is long overdue. I am gratified that the committee recognizes the merit of my amendments and has accepted them. It is my hope that they may be adopted without dissenting vote.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Virginia [Mr. HARDY].

The amendments were agreed to.

Mr. FASCELL. 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 Florida?

There was no objection.

Mr. FASCELL. Mr. Chairman, the Hardy amendment providing for access by the Congress and its agent, the General Accounting Office, to ICA information overthrows the sweeping claims by executive officials that they, and they alone, will determine what the Congress shall know about the operations of the Federal Government.

Shortly after the ICA's Office of Evaluations began its operations in fiscal year 1957, a policy of excessive secrecy was developed. The agency told the General Accounting Office that its reports were privileged documents, and a privileged nature for the agency's information was claimed before committees of both the House and the Senate.

The unreasonableness of the agency's attitude is exemplified by a former Director of the ICA, who told the Congress—see House Report No. 2578, 85th Congress, 2d session, page 127:

In the case of reports which have been classified "For official use only" I am reserving the right to determine in individual cases whether and on what grounds reports so classified will be made available to congressional committees.

On June 18, 1957, the ICA Director made formal the policy of secrecy with a directive to his staff to deny the GAO access to the agency's evaluation reports. The first report refused under the policy was a study dated April 1, 1957, covering the operations of the assistance program for Formosa. The ICA's adamant refusal to cooperate with the GAO became the official policy in spite of a law directing all agencies of the Federal Government to give to the GAO all papers, documents, and other material necessary for the agency to carry out its statutory duties. That law, which is section 313 of the Budget and Accounting Act of 1921, states:

SEC. 313. All departments and establishments shall furnish to the Comptroller General such information regarding the powers, duties, activities, organization, financial transactions, and methods of business of their respective officers as he may from time to time require of them; and the Comptroller General, or any of his assistants or employees, when duly authorized by him, shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of any such department or establishment. The authority contained in this section shall not be applicable to expenditures made under the provisions of section 291 of the Revised Statutes.

The GAO was established to help the Congress to carry out its duty of overseeing the efficiency and economy of Government. The reason for establishing the GAO, under the Comptroller General, was set forth in clear and unambiguous language during the debate by the chairman of the select committee which had held hearings on the GAO enabling legislation. He explained—

CONGRESSIONAL RECORD, October 17, 1919, page 7085:

At present Congress has no power or control over appropriations after they are once made. This control passes to the executive departments, and these departments practically audit their own expenditures, and the legality of expenditures by an executive department is passed upon by an official appointed, and who can be removed at any time, by the Executive. After appropriations are once made by Congress, the control over expenditure of the money appropriated passes from Congress. \* \* \* The position is a semijudicial one and the tenure of office is made secure so long as the official performs his work in a fearless and satisfactory way. \* \* \* Congress and its committees will at all times be able to consult with officials of this department (GAO) regarding expenditures and from it will be able to obtain the most reliable information regarding the use to which any appropriation has been put or the efficiency of any department of the Government. \* \* \* If duplication, inefficiency, waste, and extravagance exist as the result of any expenditure, the President will be held responsible therefor if he continues to ask for appropriations to continue such practices. The knowledge on the part of every executive and bureau chief that such an independent and fearless department exists, and that every act and deed they perform will come under the closest scrutiny of this department, will in itself force a much higher degree of efficiency in every department of the Government.

The GAO cannot carry out its legally assigned duties under the restrictive policy now followed by the ICA. The Comptroller General and his GAO auditors repeatedly informed the ICA of their need for—and legal right to—the papers and documents ICA was refusing. But in April 1958, the ICA again denied a formal request to make information available to the GAO. This time the agency refused to divulge its report on aid to Laos. Then the ICA put the stamp of secrecy on its report of aid to Pakistan and subsequently the GAO was refused access to ICA evaluation reports on aid to India, Bolivia, Brazil, and Guatemala. Access to these ICA reports is necessary, the GAO has informed Congress, "so that our findings and reports will be as complete, accurate, and objective as possible and will thus be of maximum usefulness to the Congress and interested officials and agencies concerned"—hearings of the Subcommittee on Independent Offices of the House Appropriations Committee, April 15, 1959, page 1053.

The Hardy amendment assures that the committees of Congress and the GAO, which serves as the auditing arm of the Congress, will now receive from the ICA the information that is vital if it is to carry out its duties. The amendment clearly states that all the information which ICA has, or which the proposed Office of Inspector General and Comptroller may gather, will be available to the GAO and congressional committees. The amendment spells out the fact that nothing can be withheld—not evaluation reports, not communications, not recommendations—nothing can be withheld.

I believe the amendment will end, for all time, the danger to our democratic system of government created by ICA's

claim of immunity from congressional inquiry. The amendment spells out the clear intent that the Congress, not the ICA administrators, will decide what information Congress needs to appropriate the dollars and establish Government policies.

Mr. MOSS. 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 California?

There was no objection.

Mr. MOSS. Mr. Chairman, while the Hardy amendment to make available information to the GAO applies, in the legislation we are discussing today, to only one agency, the effect of the amendment will, I believe, be governmentwide.

Time and again the departments, bureaus, and agencies of the executive branch have raised the claim of Executive privilege to refuse information to the Congress and to the auditor of Congress, the GAO. Probably the most blatant, groundless claims have come from officials of the ICA who are spending the billions of dollars Congress appropriates. The shield of Executive privilege has also been held up against congressional access to information about the Nation's missile program. It has been used to hide facts about the operation of the Military Sea Transportation Service and even to cover up scandals. The Hardy amendment is a warning to all Government agencies that the Congress will not abdicate its constitutional duty to appropriate funds to run the Government and to make sure that those funds are expended efficiently and economically.

The very first article of the Constitution states that "all legislative powers herein granted shall be vested in a Congress of the United States." But how can the Congress, today, exercise its legislative powers if the claim of Executive privilege is allowed to stand and agencies are permitted to cover up the facts necessary to legislate?

The distinguished Senator from Wyoming, Mr. O'MAHONEY, made the point concisely just the other day. He said:

When any branch of the Government is dealing with subjects having to do with the appropriation of money, the expenditure of money, or the action by executive authority in the field which constitutionally is covered by legislative authority, there is no such thing as executive privilege.

The Hardy amendment is a firm congressional stand against the unconstitutional claim of executive privilege. It spells out the GAO's right of access to information which the agency must have to do its statutory job of auditing the expenditure of money appropriated by Congress.

The amendment under consideration today will require the ICA to make available to congressional committees and the GAO all of the documents, papers, communications, audits, reviews, findings, recommendations, and reports under its control or which may be developed by the proposed Inspector General and Comptroller. The information

which the ICA has been secreting from the Congress and its auditors—the evaluation reports on aid to Formosa, Pakistan, Laos, and many other countries—cannot be hidden with the Hardy amendment in effect.

The ICA established its system of evaluation reports after the Congress, in the Budget and Accounting Procedures Act of 1950, directed all executive agencies to set up systems of accounting and internal control. In section 117(a) of that same law the GAO was directed to audit each agency's internal controls and related administrative practices. But the GAO cannot do the job it was given by law if an executive agency can refuse to disclose how it is spending the money Congress appropriates.

The Hardy amendment will assure the GAO of the information necessary to do its statutory job within the ICA and it will stand as a warning to all other executive agencies that the Congress does not intend to turn its legislative duties over to appointed officials.

Mr. MEADER. 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 Michigan?

There was no objection.

Mr. MEADER. Mr. Chairman, I rise in support of the amendments offered by the gentleman from Virginia to require that the General Accounting Office and congressional committees be permitted to have access to the files and records of the International Cooperation Administration with respect to the administration of the foreign-aid program.

My record has been clear in asserting the right of the Congress to obtain information from the executive branch of the Government. I have denounced the growing tendency in the executive branch of the Government under both Democratic and Republican administrations to withhold from the Congress and its committees information concerning its operations.

There has been an effort on the part of spokesmen in the executive branch to establish by assertion a so-called privilege in the executive to withhold such information. I have discussed this matter extensively in an exchange of correspondence with the Attorney General, and my remarks will be found in the CONGRESSIONAL RECORD, volume 104, part 3, pages 3784, 3848-3854; volume 104, part 5, pages 5857-5859, 6548-6549, 6569.

Mr. MONAGAN. 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 Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Chairman, I support the amendments offered by the gentleman from Virginia [Mr. HARDY].

These amendments would require the furnishing of appropriate documents and information to an investigating committee of the Congress.

I have had the honor to serve on the Foreign Operations Subcommittee of the

House Government Operations Committee under the chairmanship of the gentleman from Virginia. Any one who has read the recently-filed report of this subcommittee will appreciate the outstanding contribution which was thereby made to our understanding of the mutual security program and, particularly, of the substantial defects in its operation.

By a temperate and factual approach, the subcommittee has materially aided the House Foreign Affairs Committee in its consideration of the mutual security program and has aided all the Members of the House in their study of the proposed mutual-security extension.

Unfortunately, the work of the Hardy subcommittee has too often been hampered by a refusal of the executive branch to provide documentary information essential to its investigation and necessary to discover the facts in the study of details of administration of the economic aid program.

I have no doubt that inefficiency, stupidity, and perhaps crime have been concealed by this refusal.

The proposed amendments may not eliminate such refusals in the future but they will make them much more difficult and they will materially aid the investigatory work of this important subcommittee.

If the House wishes the vital work of the Hardy Committee to continue effectively, then all Members will support these proposed amendments.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 8, strike all of lines 8 through 16 and insert the following:

"The Congress of the United States, recognizing the serious financial situation which confronts this Government in the form of a \$286 billion Federal debt and a current deficit of \$13 billion, declares it to be the policy of the United States that member nations of the United Nations pay their pledges and fair share of the United Nations Emergency Force; and that unless the financial support of other member nations of the United Nations is forthcoming as pledged that the United States will have no recourse but to withdraw its support."

Mr. HAYS. Mr. Chairman, I make a point of order against the amendment that it comes too late. We had already read through the section before the bill was open to amendment.

The CHAIRMAN (Mr. MILLS). No; as the gentleman will recall, the Clerk had concluded the reading of this section as the last section that was read when amendments were offered and immediately following the consideration of those amendments, unanimous consent was obtained that further reading of the bill would be dispensed with. So this section was open at that time.

The point of order is overruled.

Mr. GROSS. Mr. Chairman, I would point out to the Members of the House that we are now contributing to the United Nations almost \$98 million a year. Some people seem to think that we are making only comparatively small contributions to that polyglot organization up in New York. I refer Members to



the hearings by the House Subcommittee on Appropriations for the Department of State. I would like to suggest to the Members of the House that they would do very well to read those hearings particularly with respect to the United Nations and its subsidiary organizations. Contrary to the hearings of the Committee on Foreign Affairs, the Appropriations Subcommittee hearings are not riddled with nonsensical security deletions. You can get something out of them.

Moreover, you will be able to read page after page of lists of countries that have refused to pay their contributions to the various United Nations and other international organizations, and to the tune of millions upon millions of dollars.

All my amendment seeks to do is to tell these countries that are pledged to contribute to the support of the United Nations Emergency Force that they must make good the money and that we are getting tired of paying the bills. It is time we quit this business of carrying the load for all of these international organizations.

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

Mr. GROSS. I yield.

Mr. MORGAN. I just wanted a clarification of the amendment.

Do I understand that the gentleman strikes the language from line 7 down to line 16?

Mr. GROSS. That is right, and substitutes a new declaration of policy, one that has some meaning, rather than the meaningless words the gentleman's committee put in this bill.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this House last year by a very large vote approved funds for the United Nations Emergency Force. The United Nations Emergency Force is now in operation over on the Gaza Strip and is a very useful organization. The United Nations has a budget of \$19 million for this organization, and our assessed contribution is only \$4,900,000. Special assistance funds are to be used to make a voluntary contribution to the budget to the additional amount of \$3.5 million.

But not one single incident has broken out over in the Gaza Strip in the conflict between the Arabian countries and Israel. This force is doing a terrific job. Most of the budget has been paid by other nations. Many small nations with limited budgets are making contributions to this organization. It is a good organization and I think it should stay in effect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 13, line 2, strike out the quotation mark and immediately below line 2 insert the following:

"(c) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a detailed plan for each country receiving

bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced."

Mr. ROGERS of Florida. Mr. Chairman, first of all, I want to express my appreciation for the consideration the very able chairman of the Foreign Affairs Committee has shown me in connection with the amendment which I am presenting for the consideration of the House.

This amendment is designed to bring about a detailed plan for progressive reduction of the categories of economic aid designated as Defense Support and Special Assistance. The amendment directs that the President shall include in his recommendations to the Congress for the 1961 fiscal year a detailed plan country by country for those receiving bilateral grant assistance whereby such grant assistance shall be progressively reduced.

If the House adopts this amendment it will be the first concrete step toward phasing out the controversial grant features of the foreign aid program. If the House adopts this amendment it will indicate that it is the feeling of this body that it is time for a critical reappraisal of the foreign aid program—particularly emphasizing reductions in programs involving gifts and grants.

The underlying reason for its introduction is really very simple. No one wants to be considered a charity case. It is only human nature for a man not to want to be obligated to his neighbor to the extent that he loses his self-respect. So it is with nations. Rather than handouts, we should begin thinking in terms of encouraging these underdeveloped countries to stand on their own economic feet. In fact, only recently, a former Director of the International Cooperation Administration cited the need for reducing expenditures in this field and further added that we should "teach our friends abroad that our assistance is an emergency measure, not a continuing subsidy."

Surely, too, we must have learned by now that the old saying, "you can't buy friends" is as true today as when first uttered. The sooner we can reduce these type programs the sooner we can develop friendly relations with other nations of the free world based on respect and mutual admiration—which only springs from nations with self-respect.

I am sure, too, that the American taxpayer will overwhelmingly endorse the adoption of this amendment by the House today for they have been waiting some period of time to see some thought given to the reduction of this foreign aid grant program. Important as the impact of this amendment can be on our own national budget to reduce expenditures—I feel that the American people will welcome this action by the Congress for the ray of hope that it presents.

In conclusion, I would also urge an increased spirit of cooperation between the Congress and the executive agencies charged with administering the foreign-aid program to constantly search for ways to reduce expenditures. I am

certain that through such a concerted effort we can arrive at a solution to the problem which is best for the American taxpayer and our friends abroad. I hope that the House will support this amendment.

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

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. MORGAN. Mr. Chairman, this amendment, in my opinion, is a very good amendment. When I was before the Committee on Rules seeking to obtain a rule to bring this bill to the floor I testified that I thought the grant assistance in this bill should be reduced. I think maybe the gentleman's amendment would prod the administration along that line in future years. After consultation with the Members on the minority side, I would like to say that we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: On page 13, line 2, strike out the quotation mark, and immediately below line 2, insert the following:

"(c) If the President determines with respect to any nation that the purposes and extent of assistance furnished under this Act to such nation have been intentionally misrepresented to, or that adequate information with respect thereto has been substantially withheld from, the people of such nation by officials of the government thereof, then he shall terminate all assistance under this Act to such nation, and not resume the furnishing of assistance until he determines, with respect to any future assistance, that adequate, accurate, and complete information will be furnished by officials of such government to the people of such nation concerning the purposes and extent of assistance furnished by the United States."

Mr. PORTER. Mr. Chairman, I know the hour is late and that this deliberative body has been doing a lot of deliberating. I will try to be brief. I will say though in passing, it has always interested me at this stage, and this is the third year I have participated in this.

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

Mr. PORTER. I yield.

Mr. MORGAN. Mr. Chairman, at the conclusion of the remarks by the gentleman from Oregon, I ask unanimous consent that all debate on this amendment close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. PORTER. That cuts off any rebuttal. I thank the gentleman.

Mr. Chairman, as I was saying, I am always interested in seeing how Members become interested in the electoral process which is so important. We hear them say from time to time spontaneously and enthusiastically "vote." I am sure that is in keeping with the great purposes of this bill which seeks to help liberty-loving peoples in many lands.

Mr. Chairman, under my amendment the President is given the power to cut off aid when he decides a recipient nation is intentionally misrepresenting or substantially withholding information about the purposes and extent of the aid given.

I have a case in point. The nation I have in mind is Spain. We have spent nearly a billion dollars there and the Spanish people have not been informed as to the purposes and extent of our aid. Indeed, they have been told by their government that our aid has caused inflation in their economy. Our program has been misrepresented intentionally. This has been substantiated in the New York Times, and in the Christian Science Monitor.

There is no question about the withholding of information and intentional misrepresentation of our program. Franco in his New Year's speech this year used 8,000 words talking about the condition of his country and he gave no credit to the biggest single factor in the survival of his country as an economic unit, namely, our aid program.

In Spain today there is very little use of the Voice of America. Our ambassador's speeches are distributed on a very limited scale. But on the other hand, the Soviet Union beams in 8 radio stations—8 Soviet stations are heard regularly and clearly in Spain. We have none heard there.

Whatever you think about Franco, it is pretty clear that he is not going to be there for long and you may remember that he was not elected. He is not popular. The government that comes in will no doubt be closer to the people. It will be too bad if the new government turns out to be anti-American and will not allow us to use those bases. I have a letter from the State Department and I want to read one paragraph on this matter. It is dated January 29:

Our representatives in Spain have informed the Department of the degree to which the Soviet broadcasts are heard in Spain. These are broadcast by both Soviet and satellite transmitters and Communist exiles from Spain to the U.S.S.R. and are part of a massive, and presumably costly, Soviet effort to spread anti-American propaganda in Spain.

Then it says that budgetary considerations prevent us from doing that.

If this amendment were adopted, we would be telling Spain and other countries when we distribute our aid in their country that they cannot intentionally misrepresent its purpose and extent and they cannot withhold information about it.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will only take about 1 minute to point out that this amendment is aimed directly at washing out the investment we have in our bases in Spain. Presumably, it is in line with the pronouncements of the gentleman which I read in the press when he was in Europe last week. He says that the reports are not correct. The press carried the statement that the gentleman made in an hour long speech advocating recognition of Red China. This would be right along the same lines.

The CHAIRMAN. All time for debate on the pending amendment has expired.

The question is on the amendment offered by the gentleman from Oregon [Mr. PORTER].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 3, noes 131.

So the amendment was rejected.

Mr. POFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POFF: On page 14, immediately below line 12, insert the following:

"(f) Add the following new section immediately after section 517:

"SEC. 518. PROHIBITION AGAINST FURNISHING ECONOMIC AID TO FOREIGN COUNTRIES WHICH HAVE REDUCED INCOME TAXES.—None of the funds made available under titles II, III, or IV of chapter II of this Act, and none of the counterpart funds generated as a result of assistance under this Act or generated under any other Act, shall be used for furnishing assistance under such titles, or for furnishing economic assistance under any other Act, in any foreign country during the fiscal year following any fiscal year in which the income taxes imposed by such country upon its citizens have been reduced."

Mr. POFF. Mr. Chairman, simply stated, this amendment would deny economic foreign aid to those nations which have reduced their citizens' income taxes in the preceding fiscal year.

The amendment was patterned, both in principle and in language, after section 516 which was added to the act in 1958. Section 516 prohibits the use of foreign aid funds for "payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government."

It seems clear that the same economic, diplomatic, and policy considerations which justified section 516 justify this amendment.

At my request, the gentleman from Indiana [Mr. ADAIR] was kind enough to offer this amendment in executive session of the Committee on Foreign Affairs. As originally considered by the committee, the amendment applied not only to income taxes but to excise taxes as well. After consultation with members of the committee and several tax experts, I decided to confine the amendment to income taxes alone. Excise taxes affect the availability and salability of consumer commodities. It frequently happens that a nation finds it advisable to reduce excise taxes, either generally or selectively, in order to increase consumption, encourage industrial growth, provide more jobs, broaden the general tax base and thereby increase the income tax yield. Accordingly, the amendment as it now reads applies only to income taxes, both individual and corporate.

From the best information available, only a few foreign nations reduced income taxes during the current fiscal year and would be affected by this amendment. Accordingly, the primary impact of the amendment will be largely prospective rather than retroactive. With

this amendment a part of the organic foreign aid law, foreign nations will be forewarned about the effect of reducing their own citizens' responsibility to support their government.

One of the best yardsticks of a man's ability to make a gift is the ratio which his debts bear to his earnings. Where nations are involved, earnings are measured in terms of the gross national product. For the last years for which reliable figures are available, America's national debt was 63.5 percent of her gross national product. Stated differently, America owed 63.5 percent of her annual earnings. By comparison, Spain owed only 29.8 percent of her annual earnings; Cuba, 26.2 percent; Indonesia, 15.1 percent; and Venezuela, 0.1 percent. For the rest of the free world at large, the average figure per nation was only 39.6 percent.

Mr. Chairman, I want to emphasize that this amendment does not apply to military foreign aid. Neither would it affect the right of foreign nations to negotiate loans through international credit institutions or to obtain technical and other assistance through the United Nations, neither of which is germane to the legislation now under debate. This amendment applies only to those categories of American assistance commonly designated "economic aid."

This amendment does not represent a departure from the stated purpose of the Mutual Security Act. America's purpose has been to help others help themselves. When that purpose has so far succeeded that others no longer need to help themselves, the program has become self-defeating. American taxpayers, representing only 6 percent of the world's population, are shouldering a national debt greater than the debts of the rest of the nations of the world combined. American taxpayers, struggling against inflation at home and a soft currency abroad, are borrowing money to buy military security. American taxpayers have had only one general tax cut in the last 11 years and enjoy little hope of another in the near future. Just as American taxpayers should not be asked to finance debt reduction of foreign nations, American taxpayers should not be asked to finance income tax cuts for foreign taxpayers. Surely, it is not uncharitable to ask them to share their own load.

The CHAIRMAN. The gentleman from Ohio [Mr. HAYS] is recognized.

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

Mr. HAYS. I yield.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. At the conclusion of the statement of the gentleman from Ohio [Mr. HAYS]?

Mr. MORGAN. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAYS. Mr. Chairman, this amendment, of course, would have some appeal for home consumption; but what is the fact of the matter? I do not



know what particular country it would be aimed at. I have heard Great Britain mentioned because the British have come up with a small reduction in their income tax.

The whole idea of the Marshall plan from the beginning was to put the nations of Western Europe back on their feet economically so they could buy their own products and buy our products and engage in world trade. As far as I am concerned I would like to reduce taxes in this country as well as anybody, and I think the time will come when we will.

People are always saying that the Europeans do not pay any taxes. If we had the kind of tax here that they have in some of the European countries, I suspect you would really hear a howl go up.

The British pay an excise tax of 50 percent on automobiles. The lowest excise tax they pay on anything except food is 5 percent. The British have some exemptions in their income taxes the same as we do. They have some basic exemptions comparable to our \$600 exemption. But where do the British start their tax? What percent is it after you take out the family allowance? You pay 42½ percent. That is in the low-income bracket. And because they have achieved enough of an economic stability to reduce it from 42½ percent to 37½ percent—get that, to 37½ percent—somebody says we ought to fix the law so that if a necessity arises we cannot do any business with them or cannot help them.

The truth of the matter is they are getting no economic assistance. There are no nations in Western Europe, except two, that are getting economic assistance. There are two nations in Europe getting economic assistance at the present time.

As far as I can see, this amendment would serve no purpose except a political one in this country and would have the effect of hamstringing the administration of this bill in case of an emergency which we cannot foresee now but which could possibly rise.

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

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

Mr. JUDD. Does not the gentleman agree that in some of these less developed countries which have never had a modern or balanced tax system, one of the most important things necessary to give them a better chance for real economic development, is to make some tax changes? Is it not also true that often by reducing taxes that are primitive or out of balance, the economy is stimulated with actual increase of their revenue and of their ability to provide more of their own needs?

Mr. HAYS. I agree with the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Poff].

The amendment was rejected.

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSH: On page 18, strike out line 8 and all that fol-

lows down through line 3 on page 19 and insert in lieu thereof the following:

"(f) During the annual presentation to the Congress of requests for authorizations and appropriations under this Act for fiscal years ending after June 30, 1960, and within ninety days after the date of enactment of the Act making appropriations to carry out this Act in the fiscal year ending June 30, 1960, there shall be submitted a detailed budget, on a country-by-country basis, showing with respect to military assistance, defense support, technical cooperation, and special assistance, the specific programs and projects to be carried out in each foreign country, the commodities, equipment, services, and materials to be furnished to such country, and the purposes in detail, for which funds requested, and funds otherwise available, will be obligated during the fiscal year for which the requests are made. Such budget shall also be accompanied by a report which, with respect to each country, shall contain a clear and detailed explanation of the proposed level of aid for such country, and shall include a listing of all significant factors considered in determining the level of aid for such country; the reason for including each such factor; an explanation of the manner in which each of such factors is related to the specific dollar figure which constitutes the proposed level of aid for each such country; a clear and detailed explanation of the force objectives toward the support of which such aid is proposed to be furnished for each such country; the method by which such force objectives were arrived at; and where the force objectives differ from the actual level of forces in any such country, an explanation, in detail, of the reason for the difference between such level of forces and force objectives. Except where the President determines that the national interest requires that funds available for programs and projects detailed in any budget submitted pursuant to this subsection be transferred in accordance with section 501 to other programs and projects, funds appropriated, and funds otherwise available, for any fiscal year shall be available only for the programs and projects proposed and commodities, equipment, services and materials to be furnished, as stated in the budget submitted for that fiscal year."

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

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

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close 6 minutes after the gentleman uses his time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. MORGAN]?

There was no objection.

Mr. ROUSH. Mr. Chairman, I am sorry that it is so late in the afternoon and that we are all just a little weary. I consider this a very important and far-reaching amendment. I have a brief summary on the pages' desk in case you are interested.

Now, this is an amendment which you can in all good conscience support whether or not you favor or disfavor the principle of mutual security. It does not matter whether you sit on this side of the aisle or on the other side of the aisle, you can in good conscience support this amendment. It does not matter whether you are a spender or a saver, you can support this amendment. It is merely procedural.

Now, what is my amendment? My amendment, in very brief detail, does

just this: It requires the submission of a firm detailed budget and it makes adherence to that budget mandatory on the part of the people administering this program. It places the budget presentation and adherence on exactly the same basis as a Federal agency administering domestic funds. It provides for a special provision for the fiscal year 1960 so as to furnish that same control and that same adherence.

Now, why do we need this? I recognize the fact that this committee has included in this bill new language which requires a more detailed submission of facts, but that language will do no good unless we can put some teeth in it. It is my thinking that this Congress is responsible for the administering of our taxpayer's dollar and that we have not assumed that responsibility in permitting an agency administering funds abroad to spend that money as they see fit.

Now, how many of you in this body have tried to construct a dam in your district? You know what torture you have to go through. You have to get the engineer to draw the plans. You have to get the approval of a committee. You have to get it included in the rivers and harbors bill. You have to bring it to the floor of this House. And, after it is approved, what else must you do? A lot of things. You have to get an appropriation. I have gone through that. Even though I have only been here 5 months, I know the complex procedures we go through. But, supposing they want to build a dam abroad, how would they build that dam? Why, a country would say, "We need a dam." ICA, if they agreed with their plans, would merely say, "All right, we will build your dam, and they would build that dam." This Congress would have absolutely no control over the construction of that dam. I tell you what they want. They want what they call a post-audit system, whereby we sit here as a Congress and say, "You did a good job last year, so now we will appropriate funds for next year." That is what they want and that is what they have. Oh, they have arguments against this. Of course they do. They say that the program needs flexibility. Well, would not an administrator of a Federal agency in this Government like that same flexibility? Would he not like to administer his funds as he sees fit and not be subject to the control of this Congress? I will say he would. And yet we let our foreign aid funds be administered in a loose, haphazard manner which has caused us to be criticized all over this world; all the peoples of the world are critical and laughing at us because of some things that have happened in the administration of our mutual security program. All my amendment does is to require the submission of a firm budget and adherence to that budget. It gives the control of this expenditure of funds abroad to this Congress. And, I want to say to you that I believe it is the sense of this Congress that this is not to be an eternal program. Whether you are for or against the program, it does not matter; it is not to be an eternal program, and if we are ever to terminate it, then who is to terminate it except this Congress?

But, as long as the people administering it are not subject to the control of this Congress, it will be a never-ending program.

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

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

Mr. FULTON. What would you do in case a crisis came up like Lebanon and Jordan? What would your amendment do in that case? Would they have flexibility enough to handle it under the ICA?

Mr. ROUSH. Oh, they do not have to spend these funds under my amendment; I refer to funds available and their expenditure. Is it any different if a crisis occurs here in the United States of America within the framework of one of our domestic programs?

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

Mr. MORGAN. Mr. Chairman, of the remaining 6 minutes I ask that 3 minutes be given to the gentleman from Missouri [Mr. RANDALL].

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, the hour is very late, and I want to speak just a few minutes in support of the amendment offered by the gentleman from Indiana. I was back in the cloakroom a few moments ago talking with some of the Members of this House who said that they were not for the bill, but I can report to you that they said if this amendment was adopted, they would be for the bill.

Now, I want to cite just a few facts in support of the amendment. First of all I want to quote from an editorial which appeared in the *Record* back in March. It was headed "Waste, Don't Mention It." It seems as though there was some taboo, something unmentionable about giving any publicity to the facts and figures of these expenditures. This editorial said:

What happens to the billions spent on foreign military aid, however, is a secret. It is a secret from the American people themselves. These expenditures, country by country, are a mystery for security reasons.

I want to call your attention to volume II, page 1681, some testimony given before the Committee on Foreign Affairs, by the former President of the United States back in May of this year. Mr. Truman said:

I know there are problems about the way the program is administered. But, the answer to this is to try to improve the administration of the program, not to destroy the program itself.

I hope you (the committee) will encourage ways and means for the agency administering the program to keep the American people better informed as to how it is operating and what it accomplishes.

And second, and more important, it would increase the understanding of the American people as to the necessity for and the benefits of mutual security.

Unfortunately, the general public does not know a great deal about this program.

Most of the Members in this House at one time or another have held local office

or State office. They know that they are held to a rigid budgetary program as to expenditures and after those expenditures, they have to vouch for them and have to account for them. If they do not, there are criminal proceedings to see that they do. I think that is what the gentleman from Indiana has in mind by his amendment, and I urge you to support this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Let me tell you a little bit of the legislative history of section 537(f). Last year, during the debate on the mutual security bill, the original section 537(f) was suggested by the gentleman from Virginia [Mr. HARDY] and was accepted by the Committee on Foreign Affairs. We took section 537(f) to conference, and after many hours in conference came out with revised language. It was not satisfactory to the author of the amendment, the gentleman from Virginia. This year the gentleman from Virginia furnished the Committee on Foreign Affairs a copy of 537(f). That is now incorporated in the bill. On Tuesday, when the gentleman from Virginia was speaking in the well of this House, he said this:

I want to commend the Committee on Foreign Affairs for the revised language of section 537(f) as contained on page 18 of the bill.

This is the language of the gentleman from Virginia which is in the bill and which the proposed amendment would modify. We hope to take it to conference and to retain the language in the bill.

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

Mr. MORGAN. I yield to the gentleman from Virginia.

Mr. HARDY. I do think the language in the bill will do essentially what the gentleman from Indiana apparently wants his amendment to do. I do not see where the amendment which he proposes strengthens the language which the bill now has.

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

Mr. MORGAN. I yield.

Mr. ROUSH. Does the language in the bill require an appearance before the budget and a submission?

Mr. MORGAN. The President is not going to do that, anyway. I think the gentleman's amendment would have a similar effect, but I think the restrictions he has in it makes it unworkable.

Mr. ROUSH. The gentleman evades my question. Does the present bill require a strict adherence to the budget submission procedure?

Mr. MORGAN. Not section 537 as now written, but it would not be effective in causing the President to do what the gentleman wants, anyway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Roush].

The question was taken; and on a division (demanded by Mr. Roush) there were—ayes 47, noes 111.

So the amendment was rejected.

Mr. MORGAN. Mr. Chairman, I move that all debate on this bill close at 6 o'clock.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 10, strike out all of lines 17 and 18.

Mr. GROSS. Mr. Chairman, this amendment would strike out the increase of a half billion dollars in the capital funds for the so-called guarantee program. I would like to ask why in all conscience American taxpayers should be guaranteeing or putting up any money in any way to guarantee the investments of American businessmen in France or in England. Will somebody tell me why?

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

Mr. GROSS. I yield.

Mr. JUDD. The basic reason is that we believe in the free enterprise system. We believe, in accordance with the gentleman's quotation from George Washington's address yesterday, that the more our relations with other countries are on a private and commercial basis rather than on a government-to-government basis, the better it will be. This provision does not guarantee any American's investment in a foreign country. It is an insurance system and the investor pays a premium. We give no foreign countries any money. If the investor makes any money, the fund guarantees that it can be converted into dollars. If the foreign government, by legal action, should expropriate or nationalize that property, the person guaranteed can come to the insurance fund and be made whole. Our Government will then try to recover from the foreign government on the property. The net result of the program is that we have had it now for 10 years and there has not been a single dime paid out and more than \$3.5 million of insurance premiums have been paid in.

Mr. GROSS. Then what is the need for this if it is not serving any purpose?

Mr. JUDD. It is needed because many businessmen need reinsurance before they will go into areas that are not stable.

Mr. GROSS. Just a minute. Do English businessmen need any assurance to invest their money and deposit their gold in this country against the expropriation or seizure of their investments by the U.S. Government?

Mr. JUDD. No, but Americans do. This is going to some 40 countries, I may say.

Mr. GROSS. With all of the billions of dollars that we have loaned and given to Great Britain has not a climate been established that is favorable to American investors in England? Has not a good faith climate been established?

Mr. JUDD. Many businessmen and firms will invest their money and not come to the guarantee fund and pay to be insured. But some will not.

Mr. GROSS. We have poured some \$11 billion into France and, yet, it is necessary to set up a billion dollar fund, backed by tax dollars to guarantee American investors if the French Government confiscates their business?



Mr. JUDD. Not a cent of American money has ever gone to France or Britain under this program.

Mr. GROSS. There has never been a test of this guarantee program and the gentleman knows it.

Mr. JUDD. Not a dime has been spent in France or Britain. It goes only to American businessmen if they are insured and qualify under the terms.

Mr. GROSS. You mean if the government seized a factory, for instance the Ford investment in France, if the Government of France seized that property and millions of dollars' worth of similar properties, then it would be up to the American taxpayer to underwrite the losses; is that not correct?

Mr. JUDD. The fund would reimburse the American investors who had bought the insurance.

Mr. GROSS. What would happen if there should be a succession of failures? Would it not wipe out the fund?

Mr. JUDD. In that respect it is just like any insurance proposition. If a whole city burns down, that would be pretty hard on the companies that have sold fire insurance policies in that city. This is an actuarial estimate and, as a matter of fact, it has worked out far more successfully than any of us expected.

Mr. GROSS. The gentleman from Minnesota still has not answered my question. Why is it necessary to guarantee American investments in England, Italy, and France?

Mr. JUDD. It is not necessary. We do not guarantee them unless they want it and pay for it.

Mr. GROSS. But you certainly do guarantee them.

Mr. JUDD. The program follows the general philosophy of all insurance practices.

Mr. GROSS. But you do guarantee them against confiscation of their property, as to convertibility of currency, and against damage in the event of war if they want all three coverages.

Mr. JUDD. It follows this principle. Where private business or persons want to invest their money and want to pay a premium to buy this insurance, it is in the interest of the United States to have private persons or corporations invest as much of their own funds as possible. That requires less from our taxpayers in aid to the country.

Mr. GROSS. Let me ask the gentleman this question. Can Mr. Draper get a guarantee for his power company in Mexico? That is the same gentleman who recommended an additional \$400 million for this foreign giveaway program.

Mr. JUDD. Mexico has not signed one of these guarantee arrangements with the United States.

Mr. GROSS. But if they do sign, he could come in and get it. And Eric Johnston could get a guarantee if the movie industry wanted to go into business in a big way; he could get guarantees in France, Italy, and England too, could he not?

Mr. JUDD. If his project meets the criteria written into the law, and if we have an agreement with that government under which it promises to make

whole individual investors who lose their investment by reason of expropriation, then that could be done. We have to have an agreement with the government before that could happen.

Mr. GROSS. Mr. Chairman, it just does not make sense that we should jeopardize a single dime of the American taxpayers' money to guarantee investments of American businessmen in England, France, or Italy, or any other countries where we have pumped billions of dollars since the end of the war. I wonder if American taxpayers are underwriting the yacht that the Prime Minister of Ghana bought from the British recently?

If this business of insuring American investors in foreign countries carries no real risk, as the gentleman from Minnesota implies, and if it is so lucrative as others suggest, I wonder why the big insurance companies of this country have let this business slip through their fingers? It is my observation that private insurance companies are ready, willing, and able to insure any business operation where there is no abnormal risk and where they can expect a reasonable return.

I urge the adoption of my amendment.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would just like to say that the gentleman's amendment proposes to strike out the only moneymaking provision in this whole bill that I know of. These people can buy this insurance. Certainly, there will be a minimum of it in France or England. There is very little there. They can buy it by paying the premiums. Over 10 years it has made the Government a profit of \$3.5 million. It is the only thing in the whole bill that has made any money. I should think we should leave it in by all means.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say to the gentleman from Iowa that he is in a good position to oppose this guarantee program because his State of Iowa is one of the States where no businessman or corporation has used this program at all since its beginning. Nobody in Iowa has used the U.S. guarantee program of private investments abroad. So I would like the good people of Iowa to look into the question and see what a good program it is.

I think the gentleman is doing a job here in calling this program to our attention and to the particular attention of the country including Iowa, so that some of us can explain it, although he does oppose the program. For example, this is to help private business abroad and to move our U.S. mutual aid from the governmental level into private business channels.

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

Mr. FULTON. I yield.

Mr. HAYS. I think we have got the amendment defeated if the gentleman will just let us vote on it.

Mr. FULTON. Possibly the more time the less amendments.

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

Mr. FULTON. I yield to my friend the gentleman from Iowa [Mr. Wolf].

Mr. WOLF. I thank the gentleman for the kind words he said about the State of Iowa.

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

Mr. FULTON. I yield.

Mr. GROSS. Does the gentleman know of anything in this bill for Pennsylvania except debt and taxes?

Mr. FULTON. Yes, I do. I would say that we in Pennsylvania are part of the great Commonwealth of Pennsylvania, and we are part of the United States of America, and we know that under this bill we have to protect the 250 U.S. defense bases around the world to be safe. We are against the "fortress America" concept where we let the enemy move into our very doorsteps before we act. It is better to strive and work for a world of progress and development of all peoples than to close our hearts and minds, and withdraw behind closed walls in fear of our fellow human beings who need our help and assistance to progress and peace.

I disagree with the gentleman strongly. I want to say that I believe this mutual security program will pass with a greater majority than it has ever passed before the present Congress, and I would like to bet the gentleman something on the order of a dollar, or some token like that, that it will.

Let me finish seriously by saying that this guarantee program has been successful.

Mr. HAYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HAYS. Mr. Chairman, I make the point of order that if it is not illegal, at least it is unethical to gamble on the floor of the House.

Mr. FULTON. The offer was not accepted.

The CHAIRMAN. The gentleman from Pennsylvania will remain in order and conclude his remarks.

Mr. FULTON. How much time have I remaining?

The CHAIRMAN. The gentleman has a short minute remaining.

Mr. FULTON. Seriously, this guarantee program is one I would like to sustain and that this committee has strongly recommended to the Congress.

I thank you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: On page 15, immediately below line 8, insert the following:

"(3) Add at the end of such section the following:

"(f) (1) In employing or assigning personnel under this Act, no political test shall be required and none shall be taken into consideration.

"(2) Any person who violates the provisions of subsection (a) of this section shall be imprisoned not more than one year, or fined not more than \$5,000, or both."

Mr. PORTER. Mr. Chairman, first I would like to tell the gentleman from Ohio that it is no secret on the floor of this House, that I believe our China policy needs revision and I trust others will help review it in due course. Also, I think it is very important that we be concerned about what the Spanish people think of us and our actions, and what the Chinese and other peoples think about our country. This has much to do with the attainment of peace, the great purpose of this bill.

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

Mr. PORTER. I yield.

Mr. HAYS. I would suggest to the gentleman that the best answer to the people of Spain is to tell them that his amendment got three votes.

Mr. PORTER. Sometimes, as the senior Senator from my State has said, legislation takes 10 years for enactment. We have had just 7 hours today. This may be the beginning of a new and better policy.

The amendment before the House is to take the spoils system out of the employment and assignment of personnel employed under this act. There are 5,612 ICA employees. Sixty percent of them are under the Foreign Service Reserve and the Foreign Service staff, plus the consultants and personnel on loan. There are in all more than 4,000 people, 4,018 people overseas, none under civil service.

There is a provision on page 15 of the bill, lines 5 to 8, which reads:

To the maximum extent feasible, personnel appointed under this act to perform services outside the United States shall be appointed in accordance with the civil service laws.

I have checked this provision with the general counsel of the Civil Service Commission. He states that it is not feasible at all and will have no effect at all in protecting these people overseas from being affected by political considerations. There are no civil service employees overseas.

My amendment simply puts a penalty on what is already in the Foreign Service Act, namely, a provision against using a political test in employing or assigning personnel.

You might say this has never occurred? You would be wrong. Until April 1958, every employee of ICA who was going to get over \$3,100 had to be cleared through the Republican National Committee. I am not proud of that.

The name of the man who checked for that clearance was Mr. Gillen, and before him the checking was done by a lady by the name of Betty Crites. Everyone seeking employment in ICA had to be cleared politically.

We want to have a good law. We do not want to have a political test. If you put this penalty in here saying any person who violates the provision of subsection (a), and subsection (a) is already in the law, and the State Department agrees with it, it will improve the bill.

We do not want political tests. I do not think anyone wants a political test involving a person working under this

bill. All this amendment does is put teeth in this law. If you believe that politicians should not decide who gets to go overseas to spend and to supervise the spending of these great amounts of money, then you should vote for the penalty that I am seeking to put into the law by my amendment. We do not want to have politicians deciding what people go overseas. We have had that situation in the past. That is why James H. Smith, Jr., was not appointed Secretary of the Navy. He abolished the political test in April 1958, due to pressure I think I put on; he changed this, and as a result he was not recommended by Mr. Alcorn to be Secretary of the Navy, and he did not become Secretary of the Navy. A sad story for him and for the taxpayers.

I had an equivocal answer the other day from the new Director of ICA as to whether he is going to use the old political clearance method. I think we should make sure that political tests are not going to be used. We should provide a penalty for violations of a well-settled policy against the spoils system in these circumstances.

I say to the gentleman from Pennsylvania that I will ask for a division on this vote.

Mr. MORGAN. Mr. Chairman, section 1005 of the Foreign Service Act already provides what the gentleman is requesting.

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

Mr. MORGAN. I yield to the gentleman from Oregon.

Mr. PORTER. It does not provide any penalty. It has no teeth in it.

Mr. MORGAN. It provides that no political test shall be required.

Mr. PORTER. Yes, but it does not provide a penalty.

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

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

Mr. HAYS. As I understand the gentleman's amendment, if, as the polls show, we win in 1960, we cannot fire any Republicans and put Democrats in, can we?

Mr. MORGAN. Mr. Chairman, I think what the gentleman is trying to do is already incorporated in both the Civil Service and the Foreign Service Acts, and I therefore ask that the amendment be defeated.

Mr. FULTON. Mr. Chairman, the distinguished chairman of the Committee on Foreign Affairs is exactly right. This amendment is already covered by language in the bill. The only difference is the gentleman from Oregon wants to put a very severe penalty in. Our committee has decided against that. I might further state that one of the reasons it is not necessary is because the distinguished Mr. James W. Riddleberger, our former U.S. Ambassador to Greece, a career man in the State Department, is the man who is the new Director of the ICA and will do a good job. I know him personally. He is a fine fellow.

Mr. PORTER. If it is not necessary because it will be enforced, then there will be no political tests, so why do you

fear the consequences if we put teeth in it?

Mr. FULTON. I have firm confidence in Mr. Riddleberger who is going to be the new ICA Director. I do not think we should find him guilty beforehand. Therefore, I oppose the amendment, as does the whole Committee on Foreign Affairs. There is no one on the committee who is for this particular amendment. So, I too, will join the gentleman and ask for a division.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the debate on the mutual security program, which has extended over the past 3 days, has been punctuated with emotionalism, conflicting opinions, and conjecture—as a matter of fact, there is even a conflict in the basic purpose of many parts of the program itself.

I think the time is long past due to peel away the shell of inconsistency and vague intentions of the overall picture of foreign aid and get to some agreement on its purpose.

There are many folks who believe in foreign aid because it is basically benevolent from a humanitarian standpoint.

Others insist, in view of the military expenditure, that it is essential to our security as a Nation and even our mutual security.

And there are others that take the position that it is a parcel embracing all of these things.

However, I believe we must determine whether this security is necessary as a force of opposition to the tyranny of communism and as a means of preserving our free way of life.

Just yesterday this House defeated by a margin of 10 votes an amendment which would have withdrawn any assistance to Yugoslavia, a nation that is lock, stock, and barrel Communist.

Communism, whether it is in Russia or Yugoslavia or anywhere else in the world, represents a system which deprives the individual of his freedom and any part of those things which are and have been our great American heritage.

How then, in good conscience, can we sit in this House and approve a program which embraces assistance to Yugoslavia, where thousands of people have had their homes and possessions taken away from them, where children are indoctrinated with communism and all of its godless ideologies and even contend by any stretch of the imagination or justification the basic purpose and principle of this program?

If we are to assume that because Tito has, as some people put it, acted independently of the Soviet Union, then we are simply saying, in sum and substance, that the man who commits a crime should not be punished simply because he is not part of the big crime syndicate.

For whatever many other reasons there might be for opposing this program, none is more flagrant in inconsistency than this particular phase of it.

If there is a ruffle of any nature in our own national affairs, whether it be in the area of racial discrimination or in the effect of any particular legislation, there



are those who repeatedly reflect a concern over the effect upon the nations of the world who look to America as a show-piece of democracy.

Yet I have heard no one even mention how a program which subsidizes a Communist country might look to those nations which we are so concerned in teaching the ways of democracy.

Can this possibly be construed by any of these nations as sincerity of purpose?

Regardless of what I might say, this program will go through in its original form and Communist Yugoslavia will continue to be the beneficiary of American tax dollars.

But it makes it none the less wrong.

If freedom from tyranny and suppression is the foundation upon which we have built a democracy, certainly no one can deny that assistance to Yugoslavia, as provided in this bill, shatters this principle and leaves as the purpose of the program an expediency which does not speak well for the spirit so frequently extolled as the basic virtue of democracy on the floor of this House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. PORTER].

The question was taken; and on a division (demanded by Mr. PORTER) there were—ayes 7, noes 129.

So the amendment was rejected.

Mr. BROOKS of Louisiana. Mr. Chairman, I rise to speak on section 401(b) of the bill as amended in committee. This would authorize the President, at his discretion, to use foreign currencies available to the United States "for science and research, including the translation of scientific books and treatises."

Mr. Chairman, this is a most important amendment and one which, in my opinion, should be approved by this body.

While I cannot, of course, speak for each member of the committee which I have the honor to chair, I believe that I can safely say that each of us on the Committee on Science and Astronautics has been greatly impressed in recent months with the tremendous importance which scientific research is coming to have for the welfare of our Nation. And it is an importance that is very nearly all-encompassing—which has great meaning for our national defense, for the economic health of the country, for our industrial progress, and for the political stature of the United States in its dealings with the international community.

Mr. Chairman, the Committee on Science and Astronautics—which began to function on a permanent basis only in January of this year—has been especially industrious during these past 6 months. We have tried to inquire into all forms of scientific research and development, Government and non-Government, in order to inform ourselves not merely on the present status of scientific research in the United States, but on our needs and potentialities in this field. I believe we have done a pretty good job so far in getting the picture.

So let me say this: On the strength of what we have learned, I—for one—am convinced that we cannot overemphasize

the significance which scientific research holds for the American people, nor can we afford not to take advantage of the very considerable scientific competence of our friends abroad.

If there is one thing the inquiries of our committee have taught us, it is that the United States has no monopoly on technical talent. Indeed, our scientists need and want the cooperation of their colleagues elsewhere in the free world just as much as foreign scientists desire our aid.

I submit, Mr. Chairman, that these facts add up to a compelling reason for adopting this section of the bill.

It has become common knowledge, among those of us who have been living with the problems of scientific research and development, that many foreign scientists in the free world are unable to make the great technical contributions of which they are capable simply because the support they must have is not available in their own lands. It has also become common knowledge that American scientists, engineers, and technicians are often deprived of vital information and data because some of the best scientific work being done abroad fails to reach them. There is a breakdown in communications, a failure to translate and disseminate these foreign studies.

It seems to me that this section of the bill will be of real help in overcoming both these conditions if we are to have a continuation of this program. I can think of no better way to use the currencies available under the act. Certainly they will be invaluable in the tangible ways I have suggested. They should likewise have a positive intangible value in advancing the American cause of peace and in the crucial matter of promoting lasting friendship among the world's scientific fraternity.

Mr. GALLAGHER. Mr. Chairman, the Executive request for the contingency fund for fiscal year 1960 was \$200 million. The committee authorized \$100 million, which is a reduction of \$100 million below the Executive request and \$55 million below the amount appropriated last year for this purpose.

A further cut beyond that made by the committee might result in serious difficulties for the program.

The purpose of the contingency fund is to provide funds for, first, anticipated program requirements which are not firm at the time of the congressional presentation; and, second, unforeseen contingencies.

The first category, that is, anticipated requirements which are not firm, would occur when the executive branch is considering furnishing either military or economic aid to a country which is not currently in the program or is considering a sharp increase in aid to any recipient nation. It would be unsound programming practice to include funds for needs which are not firm. If this were to be done the result would be unnecessary appropriation and authorization for programs which might never materialize.

The second type of need, that is, unforeseen contingencies, is self-explanatory. Among such contingencies would be hostilities in any area resulting in in-

creased requirements for military and economic assistance. As a result of the hostilities in Taiwan, additional assistance is being furnished from the contingency fund. Additional assistance was also necessary for Lebanon as a result of the crises in that country. Other types of contingencies, such as floods, earthquakes, other natural catastrophes and sudden deterioration of economic conditions in a country vital to the defense of the free world, may very well require immediate action on the part of the U.S. Government.

It might be possible to meet these needs from regular program funds, but to do so would mean that previously authorized programs would have to be disrupted and the entire mutual security program might have to be revised. Such a program is obviously contrary to good management policy.

Further cuts in the contingency fund would not be justified. Fiscal year 1958 was the first year in which a special fund was set aside for contingencies. In that year the Congress appropriated \$225 million to meet the purposes of this contingency fund and certain other requirements. Of the \$225 million, \$149 million was used to meet contingency requirements such as those which would be covered under this section. In fiscal year 1959 the Congress appropriated \$155 million for contingency purposes. As early as February 17 of this year, \$106.8 million of the contingency fund had already been programmed. This left only \$53 million to cover requirements arising during the last part of the fiscal year.

Under these circumstances it is obvious that by careful management the executive branch would be able to get by with \$100 million for the contingency fund. On the other hand, past experience clearly demonstrates that any cuts below the \$100 million mark will have adverse effects on the conduct of the mutual security program.

The committee action was based on the feeling that since the contingency fund covers both economic and military assistance the change in emphasis might reduce requirements for increased military assistance. Furthermore, it was believed that good management could probably reduce requirements under this section. On the other hand, the committee cannot prevent contingencies from occurring and if they do funds must be available to meet them.

Uses of the contingency fund for fiscal year 1958 and the programmed purposes for fiscal year 1959 are found on pages 142 through 147 of the red Worldwide Book. Among the anticipated uses for the current fiscal year are extra economic aid required by the Turkish economic crisis, extra defense support for Greece, increased payments for bases, additional payments to Jordan, emergency relief in Indonesia and Singapore, and so forth.

This fund is vital to our national security and I urge its passage.

Mr. DONOHUE. Mr. Chairman, there will be few, if any, measures more important to our national security and world peace, that will come before us

this session than the Mutual Security Act we are presently considering.

The distinguished chairman of the Foreign Affairs Committee and the able and industrious members of that committee have indeed labored long and hard to present a reasonable bill to this body. Although it may not meet with unanimous agreement in all its provisions the committee is to be congratulated for their energetic, conscientious and patriotic work.

The reductions that the committee has made in many of the items, although much less than a great many of us would like to see, are nevertheless a real step in the right direction. We have a chance, by amendments, to make further reductions, and I hope that will be done.

The increase in the Development Loan Fund, in my opinion, is well warranted and I personally feel that this phase of the program, together with other features, of economic aid constitutes a sounder investment for us and promises a more lasting and loyal allegiance from the smaller nations so assisted.

The provisions the committee inserted in this bill to improve the administration of the program are timely and essential. The provision requiring more specific information from the executive branch in presenting future requests is to be especially applauded. If there has ever been one truly legitimate indictment of this program and one which has aroused the greatest criticism of the membership here, it is the unfounded and unwarranted attempts at secrecy of the extravagance and waste in this whole aid setup, which we have too often had to learn from sources outside the administration.

If Congress is to legislate in conscience and patriotism and intelligence we must be provided with all the information, good and bad, to do so. In my judgment the administration has a very high obligation to place full information before us and they have unfortunately and obstinately too often and too much failed in that obligation, thereby dangerously and unnecessarily periling the reasonable continuation of the program. Let us hope they will be wiser in the future.

Let us also hope that those who have been the loudest in bewailing the advocated reductions in this bill and extolling the fullest expenditures will be just as considerate of our own American taxpayers when the time comes to grant assistance to them in our domestic programs. Some of these sincere but misguided people apparently dismally fail to realize that without the existence of a high morale among our citizens neither this program or any other will ever be successfully maintained.

While, in the interest of our overburdened and overtaxed citizens, we perseveringly work toward continuing reductions and the early end of all giveaway phases of this foreign-aid program, the present bill merits the fullest consideration of this body and I am sure you will all judge it, in your own conscience, on its necessity to the survival of ourselves and the free world.

Mr. ALGER. Mr. Chairman, nothing learned during debate has disproved the need stressed yearly in the minority report accompanying mutual security that this program is long overdue for review, appraisal and reconsideration in the light of well understood and clearly stated U.S. self-interest policy.

Study of the hearings, the report, and listening to the debate has resulted in an accumulation of rather damning evidence that foreign aid is off the track and is self-defeating. Here are some of the criticisms which impress me and which together show the imperative need for a complete reevaluation of this program before we appropriate any more of the taxpayers' money:

First. A temporary program has become permanent without being called permanent.

Second. In the Development Loan Fund, and generally throughout the program, Congress has progressively abdicated its constitutional control.

Third. There are too many examples of waste and inefficiency, graft and corruption.

Fourth. The program is too costly in view of the U.S. debt and continued deficit financing, weakening of U.S. currency, and loss of gold. It is ridiculous to extend grants and loans when we are borrowing what we are giving away.

Fifth. The economic development of other nations using U.S. taxpayers' money has built industrial competition which threatens U.S. industry, like cutting your throat to give someone else blood.

Sixth. The self-perpetuating bureaucracy in 11 years has grown from 450 to over 12,000 people.

Seventh. We are subsidizing and promoting foreignisms which are in deadly competition with the very survival of capitalism and free enterprise. We subsidize and build Socialist and Communist nations, and in many nations our money is used to nationalize industries or spent on projects and in ways in which we in the United States will not permit Federal money to be spent. For example, Yugoslavia, Poland, India.

Eighth. We are confusing the humanitarianism of charity, which is people-to-people, that is person-to-person, with diplomatic and foreign policy aims, which is healthy self-interest in obtaining national objectives, not charity.

In summary of these criticisms, which are only a partial list, the following facts are inescapable.

First. That our Government intends that foreign aid shall be continuous and global.

Second. That the threat of Communist aggression rules out our continuing to dispense lavish foreign aid when our own economy is threatened and our defenses are inadequate.

Third. That in a number of recipient countries our foreign aid helps to strengthen political systems hostile to our own.

Fourth. That our foreign aid speeds rather than retards the growth of communism; it inflates our economy; it is partially responsible for the alarming flight of gold from our control; it is

destroying our foreign markets and increasing unemployment among American workers.

Fifth. That by the very nature of the foreign aid we extend it must be inefficient and wasteful.

Sixth. That our governmental foreign aid program is unsound in principle.

Therefore, I would suggest these recommendations:

First. That our traditional generous private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts.

Second. That in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be continued but on a realistic basis.

Third. That foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately.

Fourth. That so long as governmental foreign aid is continued the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private technical, scientific, and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis.

Fifth. That until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign aid funds, be diverted to and handled by the Export-Import Bank.

Sixth. That the \$3.9 billion requested by the President for the fiscal year 1960 be reduced \$2 billion, and that each year thereafter foreign aid be substantially reduced until terminated within 3 years.

Congress should follow the advice of those Members writing the minority report and set up a bipartisan Commission to make a thorough investigation of foreign aid. The Comptroller General should be empowered also to make further studies in conjunction with the work of this Commission. This study should be made before we appropriate any more money in the mutual security foreign aid program.

Mr. DIGGS. Mr. Chairman, one of the most significant developments with regard to the proposed Mutual Security Act of 1959 is its new emphasis upon economic assistance. I think this ought to be most gratifying to those who have recognized, on the one hand, how essential it is to the interest of our own national defense and as the only realistic approach to the building of peace in the world that we continue the mutual security programs, yet, on the other hand, have felt great concern over the lack of balance between the military and economic aspects of our programming.

The reasons for military assistance continue just as important today as they were at inception of the mutual security



programs. There is no lessening of the Communist military threat to the survival of the free world. Military assistance must be continued, but in many parts of the world our present emphasis upon this type of aid has resulted in excesses and misallocations which have adversely affected our basic aim concerning an interdependent allied free world. The revised foreign aid bill now on the floor, however, contains new standards that would tend to curtail such excesses by granting military aid, in general, to those countries actually endangered by Communist aggression or infiltration and, upon findings reported to Congress, to such other countries as might be deemed by the President to need such aid. It is hoped that in some areas, such as in the Latin American hemisphere, where some adverse effects have been felt, there may be a gradual reduction of military armament grants with the ultimate goal of termination of the grant program.

The bill on the floor, while authorizing \$1,440 million of the \$1,600 million budget request for military assistance for allies, wisely recognizes that in the end peace in the world can only be achieved as we aid allies of less-developed nations to maintain and strengthen their own political and economic bases. In this connection, a firmer approach to this end has been established so that economic and technical assistance is placed in the major context it warrants. New standards have been set up here, also, to assure the most effective use of resources in those countries where governments are endeavoring to respond to the long-range economic, political, and social aspirations of their people; where they recognize that the achievement of economic development requires the effective mobilization of internal resources; and where they can demonstrate that assistance from the United States contributes to a practical set of long-term economic objectives developed by the country of the borrower.

Despite the yearly opposition to foreign aid programs, it has been of particular interest to me to note the strong trend toward getting down to the very essence of assistance programming. President Eisenhower, Adlai Stevenson, Vice President Nixon, and a host of other concerned people, have recently couched the case for strong foreign aid programs in terms of moral responsibility. They have pointed out that the United States must prove to other peoples that free world democracy is infinitely superior to communism in providing for man's material needs. They have pointed out that the major problems of our day, in national and international affairs, present themselves in moral terms—that is, responsibility for the economic and social welfare of fellowmen—and, as a consequence, it is the quality of the people's moral response to such issues which is the decisive factor in governmental affairs.

The realities of the situation are these: There are revolutionary changes taking place in many areas of the world still free of Communist control. One-third of the world's people live in these areas which are classified as "less-de-

veloped countries." And many of these less-developed countries have only recently achieved their independence, while others are on the verge of independence. Another one-third of the world's population are inhabitants of Communist-dominated countries. The monumental fact we cannot get around is that the major issues concerning all of these peoples are issues of economic development and how the goals desired can be attained through political organization. When we talk about an ideological war with the Communists, we are talking about a struggle to establish under what concepts and principles of government men have the greater potentiality for achieving freedom from economic and social oppression. This is foremost because it is out of government that economic and social oppression, or freedom from economic and social oppression, results. Hence, the recurring overthrow of governments in certain areas of the world to try out new ones.

The peoples of these areas are, indeed, determined to improve their standards of living, their health and education, and they are determined to govern their own destinies and to achieve dignity and self-respect. Within Communist Russia, this has resulted in a phenomenally successful crash-program of economic development. Moreover, the Communist bloc has undertaken broad programs of economic and military assistance in underdeveloped areas of the world, in an attempt to extend its ideology and its moral response to world need. It has made credit and grant agreements, particularly stressing economic assistance, of more than \$2 billion to some fifteen or more free world countries. Its determined end is to gain control of such countries by economic penetration. This leaves us to face the fact that if we, as a free world democracy, do not rise to these moral issues, our very failure to do so will be a decisive factor in world political affairs.

As our distinguished colleague the gentleman from Massachusetts [Mr. O'NEILL] pointed out yesterday:

The United States is today responsible for about half of the entire production of the earth, producing and consuming in this country as much as all other countries in the rest of the world combined. We are being asked to set aside to lend to underdeveloped countries of the free world in Development Loan Funds about one-fourth of 1 percent of this tremendous outpouring of machines, consumption goods, services, and agricultural products—and we are still in a time when our standard of living is rising by the year.

The legislation we are now considering authorizes new capital of \$800 million for the Development Loan Fund, \$100 million above budget request. It also authorizes technical assistance of \$179.5 million and an additional \$30 million as the U.S. share of United Nations technical assistance; \$250 million in special assistance to 16 areas for health and education and for maintaining U.S. base rights; and other contributions to the United Nations Children's Fund and atoms for peace program. The program for technical cooperation will, for example, amount to \$23,700,000, for an increase of \$6,369,000 in Europe and Africa

over the present year. Practically all of the increase relating to the African portion of the program resulting from new programs in Morocco, Tunisia, Ghana, Somalia, Nigeria, and the British East African territories, and emphasis on multicountry projects for Africa south of the Sahara, and the expansion of programs in Ethiopia and Liberia. This, particularly, is a gratification, for it indicates a growing awareness of the revolutionary potential upon world affairs of the emergence of the nations of this vastly populated continent into independent status. From the negative approach, we cannot afford to leave Africa prey to Communist entanglements resulting from economic and military assistance. Its military and strategic importance to free world defense is beyond question. From the positive approach, we should be sharing Africa's aspirations for freedom and the opportunity to live in dignity under government self-determined.

In other vitally important areas, such as the Near East and South Asia, the 1960 program is estimated at \$50,600,000, for an increase of \$8,722,000 over the present year; the largest increase being for Sudan which is less than 2 years old and in a phase of rapid expansion. Major increases are also included for Pakistan and India.

The Far East region is programed at \$36,700,000, for an increase of \$4,250,000, resulting from expanding programs primarily in Vietnam, Indonesia, and Korea. A decrease, however, is proposed for the program in Japan.

For Latin America, the total program amounts to \$45,200,000, for an increase of \$9,050,000, with substantial expansions proposed in the Brazil program.

Mr. Speaker, this new emphasis of our foreign aid programs should be tremendously encouraging to all of us as we view the current world situation of continued tension and understand its basic causes and will ourselves to a realistic approach to the prospect of peace. The bill which has come from the Foreign Affairs Committee, of which I am honored to be a member, incorporates a constructive and strong military and economic program—both of which we must have properly in balance. This bill has heartening bipartisan support and I fervently trust for the welfare of all the freedom-loving peoples of this Nation and of the world, it will receive the resounding endorsement of this body. It would be a tremendous free world tragedy, if in the name of economy—that about which this bill is so rightly and gravely concerned as it relates to other peoples of the world—these programs were heedlessly bludgeoned.

The CHAIRMAN. Are there any other amendments?

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, 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. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, pursuant to House Resolution 293, he reported the

bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mrs. CHURCH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. CHURCH. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. CHURCH moves to recommit the bill H.R. 7500 to the Committee on Foreign Affairs for further consideration.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 271, nays 142, answered "present" 1, not voting 20, as follows:

[Roll No. 92]

YEAS—271

Addonizio	Clark	Garmatz
Albert	Coad	Gary
Anderson	Coffin	George
Mont.	Conte	Gialmo
Anfuso	Cook	Glenn
Arends	Cooley	Goodell
Ashley	Corbett	Granahan
Aspinall	Cramer	Green, Oreg.
Auchincloss	Curtin	Green, Pa.
Avery	Curtis, Mass.	Griffin
Ayres	Daddario	Griffiths
Baker	Dague	Gubser
Baldwin	Daniels	Halleck
Barrett	Davis, Tenn.	Halpern
Barry	Dawson	Hardy
Bass, N. H.	Delaney	Hays
Bates	Derounian	Healey
Baumhart	Diggs	Hechler
Becker	Dingell	Hess
Beckworth	Dixon	Hollifield
Bennett, Fla.	Dollinger	Holland
Blatnik	Donohue	Holtzman
Boggs	Dooley	Horan
Boland	Dorn, N. Y.	Hosmer
Bolling	Downing	Huddleston
Bolton	Doyle	Icard
Bowles	Dulski	Irwin
Boyle	Dwyer	Jackson
Brademas	Edmondson	Jarman
Breeding	Elliott	Johnson, Calif.
Brewster	Ewins	Johnson, Colo.
Brooks, Tex.	Fallon	Johnson, Md.
Broomfield	Farbstein	Johnson, Wis.
Broyhill	Fascell	Jones, Ala.
Buckley	Feighan	Jones, Mo.
Burdick	Fenton	Judd
Burke, Ky.	Fino	Karsten
Burke, Mass.	Flood	Karth
Bush	Flynn	Kastenmeier
Byrne, Pa.	Fogarty	Kearns
Byrnes, Wis.	Foley	Kee
Cahill	Forand	Keith
Carnahan	Ford	Kelly
Carter	Frazier	Keogh
Celler	Frelinghuysen	Kilburn
Chamberlain	Friedel	Kilday
Chenoweth	Fulton	King, Calif.
Chipfield	Gallagher	King, Utah

Kirwan	Natcher	Schwengel
Kluczynski	Nelsen	Selden
Kowalski	Nix	Shelley
Lafore	Norblad	Sheppard
Lange	O'Brien, Ill.	Simpson, Pa.
Lankford	O'Brien, N.Y.	Sisk
Lesinski	O'Hara, Ill.	Slack
Levering	O'Hara, Mich.	Smith, Iowa
Libonati	O'Neill	Smith, Miss.
Lindsay	Oliver	Spence
Loser	Osmer	Springer
McCormack	Ostertag	Staggers
McDowell	Patman	Stratton
McFall	Pelly	Stubblefield
McGovern	Perkins	Sullivan
Machrowicz	Philbin	Taber
Madden	Pillion	Taylor
Magnuson	Pirnie	Teague, Calif.
Mahon	Porter	Teller
Mailaird	Powell	Thompson, N.J.
Marshall	Price	Thornberry
Martin	Prokop	Toll
Matthews	Pucinski	Tollefson
May	Quile	Trimble
Meador	Quigley	Udall
Merron	Rains	Ullman
Metcalf	Randall	Vanik
Meyer	Ray	Van Zandt
Miller, Clem	Reuss	Vinson
Miller,	Rhodes, Pa.	Wainwright
George P.	Riehlman	Wallhauser
Miller, N. Y.	Rivers, Alaska	Walter
Milliken	Roberts	Watts
Mills	Robison	Weis
Monagan	Rodino	Westland
Montoya	Rogers, Colo.	Widnall
Moorhead	Rogers, Mass.	Wier
Morgan	Rooney	Wolf
Moss	Roosevelt	Wright
Multer	St. George	Yates
Mumma	Santangelo	Younger
Murphy	Saund	Zablocki
	Schenck	Zelenko

NAYS—142

Abbott	Forrester	Moulder
Abernethy	Fountain	Murray
Adair	Gathings	Norrell
Alexander	Gavin	O'Konski
Alford	Grant	Passman
Alger	Gray	Post
Allen	Gross	Pilcher
Andersen,	Haley	Poage
Minn.	Hall	Poff
Andrews	Hargis	Preston
Ashmore	Harmon	Reece, Tenn.
Bailey	Harris	Rees, Kans.
Baring	Harrison	Rhodes, Ariz.
Barr	Hemphill	Riley
Bass, Tenn.	Henderson	Rivers, S.C.
Bennett, Mich.	Hiestand	Rogers, Fla.
Bentley	Hoeben	Rogers, Tex.
Berry	Hoffman, Ill.	Roush
Betts	Hoffman, Mich.	Rutherford
Bonner	Hogan	Saylor
Bosch	Holt	Scherer
Bow	Hull	Scott
Bray	Jennings	Shipley
Brock	Jensen	Short
Brooks, La.	Johansen	Sikes
Brown, Ga.	Jonas	Siler
Brown, Mo.	Kilgore	Simpson, Ill.
Budge	Kitchin	Smith, Calif.
Burleson	Knox	Smith, Kans.
Cannon	Laird	Smith, Va.
Casey	Landrum	Steed
Cederberg	Latta	Teague, Tex.
Chelf	Lennon	Thomas
Church	Lipscomb	Thompson, La.
Collier	McCulloch	Thompson, Tex.
Colmer	McDonough	Thomson, Wyo.
Cunningham	McGinley	Tuck
Curtis, Mo.	McIntire	Utt
Davis, Ga.	McMillan	Van Pelt
Dent	McSweeney	Wampler
Denton	McSweeney	Weaver
Derwinski	Mack, Wash.	Wharton
Devine	Mason	Whitener
Dowdy	Minshall	Whitten
Everett	Mitchell	Williams
Fisher	Moeller	Winstead
Flynt	Moore	Young
	Morris, N. Mex.	
	Morris, Okla.	

ANSWERED "PRESENT"—1

Herlong  
NOT VOTING—20

Barden	Durham	Morrison
Belcher	Hagen	Rabaut
Blitch	Hébert	Rostenkowski
Boykin	Kasem	Willis
Canfield	Macdonald	Wilson
Cohelan	Mack, Ill.	Withrow
Dorn, S.C.	Michell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Dorn of South Carolina against.

Mr. Mack of Illinois for, with Mrs. Blitch against.

Mr. Herlong for, with Mr. Barden against.

Mr. Wilson for, with Mr. Belcher against.

Mr. Rabaut for, with Mr. Michel against.

Mr. Cohelan for, with Mr. Withrow against.

Until further notice:

Mr. Morrison with Mr. Canfield.

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from North Carolina [Mr. BARDEN]. I voted "yea."

If he were present he would have voted "nay." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### DISPOSAL OF CERTAIN OBSOLETE LOCKS AND DAMS OF THE BIG SANDY RIVER, KY.-W. VA.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5515) 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 numbered 3 on the Big Sandy River, Ky.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes", approved August 6, 1956 (70 Stat. 1062), is amended by striking out "\$50,000" and inserting in lieu thereof "\$100,000".*

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PROVIDING THAT THE SEVERAL STATES SHALL NOT IMPOSE TAXES IN RESPECT OF INCOME DERIVED FROM CERTAIN INTERSTATE ACTIVITIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the bill (H.R. 7715) to provide that the several States shall not impose taxes in respect of income derived from certain interstate activities, introduced by the gentleman from Connecticut [Mr. KOWALSKI] on June 12 last and referred to the Committee on Ways and Means, be rereferred to the Committee on the Judiciary.

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

There was no objection.



# GENERAL PERMISSION TO EXTEND REMARKS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 7500.

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

There was no objection.

## REPRESENTATIVE GOVERNMENT

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, there are two theories of representative government. One, that the representative whom the people elect should reflect the thinking of the people who elect him. The other, that the representative should reflect his own judgment of what is best for the people.

I believe these are not inconsistent theories in practice. Who, indeed, knows what the people of a congressional district think, even with a great variety of public opinion polls? What the people think is a matter of judgment on the part of the representative. On the other hand, the representative seeking to reflect his own judgment does so on the basis of the information which he obtains in his capacity as a representative and which if it becomes available to his constituency will tend to make their judgment the same as his. Certainly, if he is truly a product of and close to his community this will be so.

Perhaps there is a third theory of representative government that needs expression. That is the one that says a representative should regard his constituency, those citizens able to vote, as trustees for all the people of the district whether they are of an age or capacity to vote or not, and a trustee of the future generations who cannot vote. Of course, if those able to vote do not look upon themselves as trustees, a representative who regards his duties in this light will probably not long remain a representative. However, I have taken that point of view and though my political existence has been precarious, I have survived.

In the United States today representative government requires the representative, whatever theory he may hold as to his duties, to gather together whatever information he can on the subjects that come before him in his representative capacity for guidance in the action he must take. If his constituency never find out any information beyond that which they already know on the subject he probably can relax and vote on the basis of his limited knowledge and still get reelected.

However, the representative does run the risk of his constituency finding things out and so changing their opinion on an issue. This will leave him in the position of having acted contrary to their newly formed judgment. And it is the newly formed judgment that

reelects Congressmen, not the old judgments.

But to revert to my point. I believe that representative government if it is to work in America today requires that the representative do his best to inform himself on the issues that come before him for action. If the people whom he represents are to participate in their Government through him he must, as best he can, pass back to them the information he has gathered.

Another way of putting the matter is this. The people of any community are rather fully occupied making a living, raising children, keeping a home, and doing this and that in the community. They do not have the time to find out the facts and arguments that are involved in the many issues, simple and complicated, that face the Nation, and the National Government. Accordingly, they pick someone from the community and designate him to be the one who is to find out what the situation is. If this is what a representative is, of course he has no business putting his ear to the ground just trying to figure out what his people are thinking. He has a duty to find out what the facts and arguments are, act upon this study and then report back to the people who sent him what he found out and why he did what he did.

Maybe this is a new concept of a representative. I think it is. But I certainly believe that in this day and age this particular approach is basic if we are to preserve government of, by, and for the people. I have oftentimes remarked that we can have government for the people without too much trouble but if government by the people—through their informed and informing representatives—goes by the boards government for the people will shortly thereafter go by the boards. Then government of the people will have to reassert itself through revolution if it too is not to go by the boards.

This preamble is necessary in order to understand the fundamental problem we face in the Congress in organizing ourselves in order to gather together whatever information and wisdom there may be in our society in respect to the various issues that face us and then apply that information and wisdom to the solution of the problems.

Congressional debate is only the last stage of this process. And yet if congressional debate has disappeared I think we can be fairly certain that whatever other processes we have developed have previously disappeared.

The Congress early in its history broke itself down into committees in order to study the issues at hand with more efficiency. But these committees, of course, were mere creatures of the Congress required to report back to the body that created them. Each Congressman depends upon the work his colleagues do on the various committees in order to inform himself on the issues.

How, indeed, can he vote with intelligence or inform his people of what the issues are if the committees supposedly acting in his behalf assume that the committee's job is not to gather in-

formation for the House and submit recommendations to the House, but rather to gather information for themselves and then make the decisions themselves and ask the House to rubberstamp these decisions?

Regrettably, this is exactly what has been happening over the 9 years I have been in the House. There is a marked trend. Certain provisions of law today require that the executive branch cannot act in certain areas without reporting to a committee. The laws do not state report to the Congress. They state report to certain committees of the Congress. We have committees taking trips all over the world, theoretically to gather information for the Congress and yet the Congress all too often never receives a report on what these committees found out.

We have the situation where major bills come to the floor of the House and the committee's printed hearings are not available to the House membership in time for the debate. It is the exception nowadays when a committee has its report available to the membership sufficiently ahead of the debate to give the Members a chance to read it.

There is a growing tendency on the part of the committees during general debate to take all the time for the committee members and then when the bill is read under the 5-minute rule when the House membership might participate to close off debate.

Last year I was shocked to find the leadership trying to put through three major pieces of legislation under suspension of the rules which permits no real debate and permits no amendments at all. This year we passed the first authorization bill of the Committee on Space in its history, under suspension of the rules, with 40 minutes' debate. How could any Member of the House know anything about the new Space Agency under this process? How can the people know?

The greatest tragedy lies in the fact that this could not occur without the tacit consent of the majority of the Members of the House and certainly it could not occur without the leadership's positive decision to do it.

So I come to the military appropriation bill which was on the floor for debate 2 weeks ago. A bill which vitally affects the welfare of every American. A bill which holds the fate of America in it, not just from the standpoint of military defense, but also from the standpoint of the economic health of the Nation.

I will not dwell, too much, on the debate that occurred other than to state that the House was in complete default to the people of this country as far as gaining an understanding of what was in the bill and what the issues were. The committee, itself, I believe would admit that much of what they did was the result of faith. Yet it presented an adamant front. It wanted a minimum of questions and a minimum dispute. It might just as well have brought the bill out under a closed rule. In fact, the attitude of committee seems to be to try to gain the results of a closed rule.

I tried to direct the House's attention to an important feature in this bill. It was an item of \$250 million appropriation over and above the amount of appropriation requested by the Defense Department and the administration. During general debate the chairman of the committee and the ranking minority member stated that the budget proposals of the administration, of course, changed with the passage of time. That the budgets were prepared many months before they finally hit the floor of the House for debate. I asked them if the changes the committee made in either increasing or decreasing budget requests were referred back to the Department of Defense to see if these changes conformed to their ideas as the result of passage of time. The answer was, no. I then suggested that the committee certainly should explain in some detail any deviations from the Executive budgetary requests so that the House membership could evaluate the reasons for going against the executive department's judgment.

The committee made no explanation of the addition of the unrequested \$250 million for antisubmarine warfare. I took the floor the next day under the 5 minute rule to point out to the House a matter which was shocking to me when I discovered it and is equally shocking to me today. The committee's report to the House on this subject was contrary to the information in the committee's hearings. The committee's report stated the Russian submarine fleet was growing. The uncontradicted testimony in the hearings was that the fleet was not growing, indeed, that the previous estimate of its size had been wrong and the number of submarines was less than estimated.

The important point though was the failure of the committee either in the report or the hearings to try to make an evaluation of antisubmarine warfare needs. Antisubmarine warfare is directed against two targets. The submarines themselves and the bases from which the submarines must operate.

The U.S. Navy when it comes before the House for appropriations for its needs has many times pointed out that there is no sense in giving them ships if at the same time they are not given the bases from which to operate the ships.

I asked the committee, What about bases? I have in the past asked the Navy, What about Russian submarine bases? The answer is that Russia has no open-sea ice-free ports from which to operate their submarines.

The Navy spokesmen point to the German submarine menace of World War II. But Germany had a great many open sea sub bases. Yet it was largely the blockade the Allies threw around these bases and the attacks they made on them that defeated the German submarine menace. Blockading Russia's ports in closed seas, and those where ice is a problem is a relatively simple job compared with blockading the Bay of Biscay, the Normandy peninsula, the North Sea and the southern coast of Norway.

The Navy knows this. Yet they deliberately misrepresent the case to the Congress and the people of the country by relating the Russian submarine menace to Germany's World War II submarine operations.

Now let us take the matter a step further. What kind of war is the Navy contemplating where Russia will use these submarines like Germany used hers? It obviously is not the 15 minute warning all-out hydrogen bomb blitz. When you pose this question to the Navy spokesmen, and I have, they abandon their ground and do not want to talk any more about World War II type submarine operation. They then start talking about how the Russian submarines can shoot missiles off their decks and bomb American cities. I then pose the question, Are submarines to be part of this massive attack with only 15 minutes notice? If so, sending the submarine fleet to sea will be the greatest break America could have because then we probably would get 2 or 3 days warning.

Then why does Russia have submarines? The answer is known to the Navy submariners and the Congress and the people should know it. The main reason Russia has submarines is to get information. A submarine's main mission is spying and getting information. Secondly, a submarine is a great defensive weapon against a fleet attack. Does anyone believe that Russia would not undertake to defend herself in some way against the great and terrible power of our surface fleet, part of it located in the Mediterranean, part of it near Japan and the Russian maritime provinces of the Pacific? Of course they have submarines and they have bases in the closed seas which border Russia, and as best they can they have bases even where ice makes these bases a difficult problem. But the essential purpose of her submarines is to get information and provide defense.

The Navy spokesmen have answered me on this observation by saying, "But, of course, a submarine can be made into an attack weapon." Certainly it can, but the likelihood of Russia doing this depends again upon the type of war where this kind of attack weapon is meaningful. It is hard to contemplate, as Secretary McElroy said in his testimony, this kind of war occurring today. Furthermore, this kind of submarine use is greatly limited by the bases available.

Some of my colleagues say, "How about the atomic-powered submarine." Yes, indeed. That is a different question. That kind of weapon is not greatly dependent upon bases. But Russia has no atomic-powered submarine, and all the propaganda we in this Congress and the previous Congresses and the people have been exposed to about the terrible Russian submarine fleet had nothing to do with atomic-powered submarines. Furthermore, our antisubmarine warfare and this one-quarter billion dollars has nothing to do with the atomic-powered submarines.

Let me state this: An atomic-powered submarine is an entirely new weapon. It has practically no relationship to

what we have in the past referred to as submarines. The submarines of World War II and today are not submarines in the true sense of the word. They are submergibles. They are surface ships which are capable of submerging for limited periods of time. Ninety percent of the time these vessels are on the surface. The basic theories of antisubmarine warfare are based upon the fact that these vessels are submergibles, not submarines. In World War II we were able to blockade the Bay of Biscay, or, rather the British coastal command was, because it was known that within a 200-mile stretch a submarine had to surface; it could not stay under any longer and go a further distance than that. Snorkel submergibles did not alter that picture or basically change antisubmarine warfare. The snorkel was merely a refined submergible. I might add, we got our share of snorkels in the latter part of World War II.

The atomic-powered submarine, however, is a real submarine. It is not a surface ship. In my limited knowledge, it is the most powerful weapon today. Certainly the Russians can make an atomic-powered submarine. I expect they are engaged in this activity right now. The fact that we had one first gives us a great advantage in trying to figure out how to defend against this new and powerful weapon. How we defend will be an entirely new art of war and will have little to do with our present antisubmarine warfare equipment and techniques. This art will be as different as the atomic submarine is from the present submergibles.

The \$250 million had little to do with defense against the atomic submarine. I doubt if we are at a stage where we know enough to know how we might spend money advantageously for such defense. The quarter of a billion dollars had to do with antisubmergible warfare for which we have more than adequate funds and equipment. Soon we will start generating vast obsolete and surplus properties from this program.

I close these remarks by referring to the concern I expressed in the beginning about the decline of congressional debate and the failure of congressional committees to regard themselves as creatures and servants of the House. Our committees need the knowledge gathered by other committees. They need the knowledge that other Members of the House have on particular aspects of these problems.

No one gets anywhere in congressional debate today when for example less than 50 members will sit and listen to the general debate on the \$38.8 billion military appropriation bill, let alone read the committee reports and certainly let alone read or even scan the committee's hearings.

The House has many men of great talents on both sides of the aisle. I have seen these talents rust from disuse and become dull through frustration. I think it is a tragedy that the procedures of the House which on paper are good, the result of a century and a half of evolution, are being cast aside. These



procedures properly followed would enable the talents of the House membership to be utilized to the fullest. It would bring back representative government at the Federal level to the people. And above all, it would result in some intelligent solutions being reached on some of the great problems facing our society, instead of the utter nonsense we have in the agricultural program, the tangled and self defeating mess we have in the program entitled "Mutual security," not to mention the extravagance and waste in our military program, which not only hurts us economically but defensewise as well.

Now, Mr. Speaker, I will yield to the gentleman from New York at this point.

Mr. STRATTON. Mr. Speaker, I appreciate the courtesy of the gentleman from Missouri in yielding. I want first of all to ask the gentleman if I understood him correctly. In the course of his remarks, did the gentleman say that the Navy had agreed that the Soviets had no ice-free bases on the open seas from which to operate their submarines?

Mr. CURTIS of Missouri. I did not say the Navy said that. I said that the geography and the information shows that there are none. I might say to the gentleman, as I did state for the record and as I told him and as I notified the House, that I would take this special order so that he or anyone else could engage in the debate. As I stated at that time, the point is not as the gentleman would have it: Whether or not there are bases that Russia has from which she can operate submarines, because obviously she has, in the Black Sea and in many other enclosed seas. The point I am trying to drive home, and I think I am successfully driving home, is that the type of submarine such as was used in World War II, and the present submarine, except for the atomic submarine, are submergibles, and are vitally dependent upon bases. In World War II we attacked two aspects of the submarine warfare—one was by attacking the submarine and the other was by going after its bases. The point is this. That to have a good submarine base you have to have it on the open sea and it should be in warm water. Now you can operate a submarine from a closed base and you can operate it from a base that has ice as a serious problem. But the operation is limited and the problem of the antisubmarine operation is easier.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me?

Mr. CURTIS of Missouri. Yes.

Mr. STRATTON. I understood that the gentleman had yielded to me, but the gentleman seems to be taking up most of the time.

Mr. CURTIS of Missouri. Mr. Speaker, I will decline to yield any further if that is the manner in which the gentleman is going to proceed. I want to say this. I yielded to the gentleman and when the gentleman posed a question when I yielded to him, I was answering it.

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

Mr. CURTIS of Missouri. I yield to the gentleman for a question or a statement.

Mr. STRATTON. I asked the gentleman whether in his statement he had said that the Navy had claimed the Soviets had no ice-free open bases.

Mr. CURTIS of Missouri. I said the Navy has made no comment on that. But as a matter of fact, the Navy personnel, except for the gentleman, has not challenged that statement. He happens to be the only one I know of who has challenged the statement I have made, and I reiterate it, that there is not one single open sea ice-free port available to the Russians to operate submarines. That is a true statement. The gentleman contests it and he is the only one I know of who does.

Mr. STRATTON. Mr. Speaker, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. STRATTON. Did I understand the gentleman correctly to say that he acknowledges there were certain open sea bases but that these bases were such that the ice made the operation of submarines a very difficult problem? Am I quoting the gentleman correctly?

Mr. CURTIS of Missouri. That is certainly true.

Mr. STRATTON. Now, Mr. Speaker, is it true that the gentleman on the 5th of June had this to say in the House of Representatives? Is it true that the gentleman said he would offer a case of whisky to any naval personnel who can cite a single ice-free open base that the Soviets possess from which to operate these submarines?

Mr. CURTIS of Missouri. Yes, that is correct.

Mr. STRATTON. Mr. Speaker, if I can demonstrate to the gentleman a base which is on the open sea and a base which does not have any ice that interferes with the operation of submarines that would certainly be an ice-free open-sea base; would it not?

Mr. CURTIS of Missouri. No, if they have a problem with ice and, incidentally, the two bases that the gentleman mentioned, and as I pointed out, if the gentleman had shown the courtesy to the House by reading to the House the documents that he had from the Shipping Guide, of the ice conditions in both those ports, he would have then presented the case in the proper light because in both those statements, it is pointed out that icebreakers are necessary to keep the lanes open. And, I may say something further.

The Russian submarines that operate out of those ports where ice is a problem have to be especially equipped in order to cope with it, and they encounter damage and considerable difficult problems in coping with the ice.

Furthermore, the point is that when you do use icebreakers and create channels that is exactly what limits the use of a port for operating submarine warfare and enables the opposing forces to detect the submarines. That was exactly what I was referring to. If the gentleman can show me a port where ice is not a problem that is on the open sea I am willing to concede, but I have not heard that yet.

Mr. STRATTON. I appreciate the very learned discussion which the gen-

tleman from Missouri is presenting to the House. I think it is unfortunate that there are not more present to hear the discussion; but I want to address myself in a colloquy with the gentleman to the specific question of whether there is or is not at least one ice-free open-sea Soviet base from which submarines can operate.

Mr. CURTIS. I do not believe there are any.

Mr. STRATTON. The gentleman well knows that I pointed out to the House some days ago, proceeding out of order in the course of the debate on the tobacco bill, that there were at least two that I knew of, Murmansk, and Petropavlovsk.

The gentleman says the Member from New York is the only one who has taken exception to his remarks. It so happens that I was called by a number of high-ranking naval officers, one of whom was a very close friend of mine, who spent the entire period of World War II in Murmansk. And these gentlemen pointed out to me, Mr. Speaker—

Mr. CURTIS of Missouri. Will the gentleman cease for just 1 minute? Let us not get into hearsay, please.

Mr. STRATTON. If the gentleman declines to permit me to answer the somewhat hasty dismissal that the gentleman had put in the Record the other day, I do not know how he can determine whether this wager that the gentleman rather lightly played up has actually been lost or not.

Mr. CURTIS of Missouri. Just a minute. I do not intend to yield for further statements of that kind. If the gentleman wants to come forward and present it in a forthright manner, leaving out the adjectives and the adverbs and present his information that establishes that there are these bases, I will listen.

Mr. STRATTON. Mr. Speaker—

Mr. CURTIS of Missouri. I will not yield further at this point. I do not intend to listen to a presentation such as the gentleman has made in that kind of fashion.

I do want to know this: The gentleman had the shipping guides at the time apparently that he made his statement on the floor of the House with which I was not familiar.

The gentleman said about 5 minutes before the bells rang that he was going to take the floor, and I was in committee on debt limitation so I could not be here, but I did read the statement.

Mr. STRATTON. Mr. Speaker, will the gentleman yield in order to keep the chronology correct?

Mr. CURTIS of Missouri. Certainly.

Mr. STRATTON. Is it not true that the Member from New York called the gentleman from Missouri and informed him he intended to present this information? Is it not true that the gentleman was in the House and that the Member from New York advised him that he intended to obtain time during the debate on the tobacco bill to proceed out of order?

The gentleman appeared in the hall for a while and then left. And is it not

also true that as soon as the gentleman from—

Mr. CURTIS of Missouri. The gentleman is asking me questions; let me answer them. May I?

The answer to the questions is that the first the gentleman from Missouri knew that the gentleman was going to take the floor was just before the bells rang. I had been in committee all morning on the question of debt limitation. I advised the gentleman exactly of the fact. The gentleman said he was going to go ahead and take the floor.

Mr. STRATTON. Mr. Speaker, will the gentleman yield for a further question?

Mr. CURTIS of Missouri. I yield.

Mr. STRATTON. Is it not true that the Member from New York showed the gentleman from Missouri as soon as he came back into the hall the locations of the bases?

Mr. CURTIS of Missouri. Correct.

Mr. STRATTON. That he pointed it out to him and also gave him the benefit of additional information which was available to the gentleman because he was proceeding out of order in the tobacco bill that could not be presented to the House?

Mr. CURTIS of Missouri. Now, the gentleman has asked me a question. Please let me answer.

Mr. STRATTON. I rather resent, Mr. Speaker, the implication the gentleman included in the RECORD for Tuesday, June 16.

Mr. CURTIS of Missouri. Let me answer the gentleman.

Mr. STRATTON. I rather resent, Mr. Speaker, the implication of the gentleman when he included in the RECORD for Tuesday, June 16, that the Member from New York was somehow hiding some information from the House, when, as a matter of fact, I presented all of the information in a friendly manner to the gentleman from Missouri.

Mr. CURTIS of Missouri. May I answer the question? The gentleman came over and showed me the Shipping Guide and I asked the question why he did not read it all. I asked the gentleman why he thought these were ice-free ports when the Shipping Guide said they were kept open by icebreakers. When I read the RECORD the next day I was amazed to find that the gentleman had not called that fact to the attention of the House.

I stated I was going to have a special order so the gentleman would have an opportunity to discuss this matter and engage in colloquy. I pointed out the fact that that information had not been included. I am sorry the gentleman resents it, but I think he presented a half case for the consideration of the House.

The second point that we are talking about is this: I was disappointed yesterday that the gentleman instead of waiting until today when I got this order for an hour that he went ahead. I told him he would have an opportunity to discuss it, but he did not wait then and proceeded ahead unilaterally.

Mr. STRATTON. If the gentleman had delayed his response until the special order today instead of including it in the body of the RECORD, together with

this reference and the manner in which the information had been brought to his attention, I am sure the Member from New York would have delayed also until today. But if the gentleman from New York were trying to hide anything from the House he would not have given the information willingly and in a friendly fashion to the gentleman from Missouri who has voluntarily offered a case of whiskey.

Mr. Speaker, if the gentleman will yield further, I do not think any advantage is to be gained in discussing procedure.

Mr. CURTIS of Missouri. I might agree with that.

Mr. STRATTON. The question is: Does Russia have an ice-free base?

Mr. CURTIS of Missouri. That is right.

Mr. STRATTON. The whole thing depends on the gentleman's interpretation of the term "ice free." Since he was kind enough to get the hour today—

Mr. CURTIS of Missouri. I think I have yielded to the gentleman pretty well.

Mr. STRATTON. Since the question resolved around the matter of whether this is or is not an ice-free base, and since the gentleman has completely refused to discuss this question during the special order, the only thing—

Mr. CURTIS of Missouri. Mr. Speaker, I do not yield further. I will not yield at this point until the gentleman makes correct statements. He made the statement there that I would not yield to discuss the matter and the gentleman was proceeding to discuss it. Please be accurate in your statements. I yield further to the gentleman.

Mr. STRATTON. I thank the gentleman for yielding to me. If he does not want to yield, that is certainly his privilege.

Mr. CURTIS of Missouri. Mr. Speaker, I do not yield any further until the gentleman proceeds in some semblance of a courteous discussion. I have yielded to him. The gentleman says, "The gentleman will not yield," and so and so. If the gentleman wants to discuss that, I will be very happy to. The issue is this: I was the one who made the statement about the ice-free open sea ports. It was in context and I think the gentleman should keep it in context with the point I was trying to call to the attention of the House; that is, a limitation of antisubmarine warfare and the fact that the Russian submarine fleet is limited by the type of bases it has. That is an interpretation the gentleman has placed on these words. I was the one who used them.

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

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. STRATTON. The gentleman offered on the 5th of June a case of whiskey to anybody who could cite a single ice-free open sea base in Russia.

Mr. CURTIS of Missouri. That is correct.

Mr. STRATTON. Mr. Speaker, I presented certain information to the House

on the 10th of June, I believe it was; then on the 16th of June, the RECORD of that day includes a reference to information presented to the House by the Member from New York and the statement that this information falls short, in the opinion of the gentleman from Missouri, of meeting his challenge.

Mr. CURTIS of Missouri. That is correct.

Mr. STRATTON. Because both ports require icebreakers to cope with the ice.

Mr. CURTIS of Missouri. That is correct.

Mr. STRATTON. Mr. Speaker, during the course of the special order which the gentleman asked for today, until he was good enough to yield to the gentleman from New York, there was no discussion of whether these ports were or were not ice-free; therefore, in order to determine whether the gentleman has lost his wager or not, it is necessary to discuss the term "ice-free." In the gentleman's opinion, the only thing I have to go on is the statement the gentleman put in the RECORD on June 16.

Mr. CURTIS of Missouri. The gentleman could have read that in context, because I was referring to the debate that had preceded that on the day before in reference to the military appropriation bill.

Mr. STRATTON. The gentleman is mistaken. I made reference to the statement of June 16.

Mr. CURTIS of Missouri. I said if he read it in context that statement was made as a result of the fact that there had been a picture or an article in the morning paper saying that the Navy had offered Navy personnel a case of whiskey to whoever sighted a Russian submarine. So, I took the floor and said, "Well, I will counter that offer if anybody can show or cite an ice-free, open seaport and in time for us to save the quarter of a billion dollars that we voted over and above the appropriation request." Now, is that not in the statement?

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

Mr. CURTIS of Missouri. Is that in the statement you are referring to?

Mr. STRATTON. The statement I am referring to occurs in the CONGRESSIONAL RECORD of June 16, and the statement the gentleman just referred to occurs in the RECORD of June 5.

Mr. CURTIS of Missouri. No, no. I said read the statement of June 16. I beg your pardon. The 16th; you mean the one where I said I was going to debate this under a special order?

Mr. STRATTON. Yes.

Mr. CURTIS of Missouri. Oh, well.

Mr. STRATTON. I think I am almost as familiar with the statement that the gentleman put in the RECORD as the gentleman is himself.

Mr. CURTIS of Missouri. I am pleased that somebody reads it, at any rate.

Mr. STRATTON. I am saying when it comes to the definition of "ice free," which is the matter at issue here, the only reasoning on the part of the gentleman that I am familiar with is what appears in the RECORD of June 16.

Mr. CURTIS of Missouri. Now wait. Why does not the gentleman consider



the June 5th and the debate that preceded it, which refers to the definition of "ice free"?

Mr. STRATTON. Because, Mr. Speaker, the reference on June 5, as I just read it, simply says "ice free." And it does not give any idea what the gentleman meant by "ice free."

Mr. CURTIS of Missouri. Now wait. You made a point. Let us proceed in an orderly way. You made a statement. Let me counter, and then I will let you counter. My point is very clear. If you would read what I said during the debate on the appropriation bill—and everything refers back to that—the gentleman would have seen the context which would have identified for him what I was talking about when I said "open sea" and "ice free," and there is where you can find what is meant by that, and you would not go charging after and accepting wagers that you were going to lose.

Mr. STRATTON. Mr. Speaker, if the gentleman will yield further, I think it is quite clear, the context in which the gentleman used the term, because the gentleman on June 5, when he offered this wager, somewhat hastily, in my judgment, referred to the Soviet submarine fleet as a base-less fleet.

Mr. CURTIS of Missouri. Yes.

Mr. STRATTON. Now, Mr. Speaker, I wonder if the gentleman would feel that if he found two or three ice cubes floating in New York harbor, that that harbor was not an ice-free harbor.

Mr. CURTIS of Missouri. No. The gentleman is trying to be facetious, as I myself was when I used the word "baseless," because I thought it was a pretty good play on words. I was contending all this time that the 450 submarines was a much enlarged figure, and I was referring to that. Now, if the gentleman wants to talk seriously, all right. And, I say this, the definition is based on where ice is a serious problem in establishing and maintaining a base; in other words, the best submarine base you can have, and one that any Navy man would want, would be open sea and warm water.

Mr. STRATTON. Mr. Speaker, if the gentleman will yield further, because I think we are dealing with a fairly technical question which is whether a particular port is or is not ice-free and when it becomes ice-free. I am interested in the gentleman's views on the broad subject, but he has made a specific wager on a particular point.

Mr. CURTIS of Missouri. To establish a particular point, which is that you have to pay attention to bases when you are talking about antisubmarine warfare. That is what I am trying to drive home. And, I used this little play, you might say, to point this thing out, which the gentleman has seen fit to try to turn into something more serious. But, essentially it still remains the case.

Mr. STRATTON. The gentleman does not deny, does he, that he offered a case of whisky if anybody could find one ice-free, open-sea base; is that correct?

Mr. CURTIS of Missouri. Oh, I said that many times.

Mr. STRATTON. Fine. That does not have anything to do with the broader question about the extent of the Soviet submarine fleet.

Mr. CURTIS of Missouri. Of course it has to do with that, because I immediately referred to the fact that I was talking about \$250 million. I do not take the floor of the House, I might say to the gentleman, just to idly banter—and I am afraid that is what this is turning into. I am concerned about getting that \$250 million out of the appropriation bill over in the Senate. And if, through this device I can call the attention of the Senators and the people of this country to the fact that there are not adequate bases to operate this exaggerated, Soviet submarine fleet, I want to do it.

The point of this thing is this, that in antisubmarine warfare, if you have your enemy submarines operating out of a bottled-up environment, whether bottled up by reason of the fact that they are on inland seas or bottled up because they have ice conditions to cope with, you have an easier problem of combating them than you had, for example, in World War II with the German submarine menace, where they had the southern coast of Norway, the North Sea, the Normandy Peninsula, and the Bay of Biscay to operate from. And, you must admit that the Navy is constantly calling to our attention, "Look what the German World War II submarines did. Oh, watch out for the Russian submarines."

And therefore, that is the context in which the gentleman must determine what was meant when he said ice-free open-sea bases.

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

Mr. CURTIS of Missouri. Yes.

Mr. STRATTON. I do not want to argue the question of who is raising a matter of levity, because it was the gentleman who offered the case of whisky and not the gentleman from New York. Since the gentleman has suggested that we take his words in context, is it not true that the gentleman said that if somebody could tell him of a single ice-free open port, then he would offer—

Mr. CURTIS of Missouri. Open-sea port.

Mr. STRATTON. Then he would offer, not one case of whisky, but two, if that information came in time to save the taxpayers the extra quarter of a billion dollars that the Navy is getting to fight the base-less Soviet submarine fleet?

Mr. CURTIS of Missouri. That is right.

Mr. STRATTON. Mr. Speaker, is it not true that if the gentleman found out that there was not just one but perhaps two or three of these bases, then there would be even more necessity for the money put in by the House, in its wisdom, to fight the Soviet submarine threat? And the gentleman's remarks are, therefore, meaningless because there would be a need for a greater expenditure of funds rather than a lesser?

Mr. CURTIS of Missouri. Of course, the answer to that is that if there were any ice-free open-sea ports there might be something to it, but there are not.

Mr. STRATTON. But we would not be wasting the taxpayers' money; we would be using it wisely, would we not?

Mr. CURTIS of Missouri. I think the gentleman had better go back and read the debates. I should like to lay out this course of action for the gentleman, in all kindness. First, read the debates on the military appropriation bill, because this is a serious matter. Second, read the references in that debate that I made to the committee hearings, and read the hearings. And then, third, read the committee report. Then read what I said here today on the subject of antisubmarine warfare.

There are plenty of areas in which we can have honest differences of opinion. I think we have whipped this particular one pretty much to death. I made my statement as to what I meant by open-sea, ice-free. I think anyone in the House can read this record and see. The gentleman has made his statement. He recognizes, does he not, that both the ports that he mentioned do need icebreakers in order to open them up, that they do have ice conditions, and that the Russians have to cope with those ice conditions in order to utilize those ports?

Mr. STRATTON. Mr. Speaker, does the gentleman yield?

Mr. CURTIS of Missouri. Does the gentleman agree with that statement?

Mr. STRATTON. I am trying to answer that question, if the gentleman will give me the opportunity before his special order runs out. I would have to take issue—

Mr. CURTIS of Missouri. Mr. Speaker, I have yielded to the gentleman to answer the question.

Mr. STRATTON. I thank the gentleman. The gentleman said a moment ago, I think—

Mr. CURTIS of Missouri. Will the gentleman answer the question, please; does he agree?

Mr. STRATTON. The answer is no, to the gentleman's question.

Mr. CURTIS of Missouri. Does the gentleman agree that there are ice conditions at both those ports that he mentioned—yes or no?

Mr. STRATTON. The answer is no, I might say to the gentleman.

Mr. CURTIS of Missouri. Then I suggest to the gentleman that he put in the Record his own Shipping Guides which show the situation.

Mr. STRATTON. If the gentleman will yield, so that I could get his views.

Mr. CURTIS of Missouri. I yield.

Mr. STRATTON. He said a moment ago that if ice were found floating in New York Harbor, in the middle of the wintertime, that would not mean that the harbor was ice-clogged or that it was unusable for traffic.

Mr. CURTIS of Missouri. That would not be an ice condition serious enough to warrant that charge. The conditions in the Russian ports are serious.

Mr. STRATTON. May I ask this further question? Would the gentleman not agree that if I can demonstrate to him that ice does not represent an obstacle to navigation in a particular port, even if you could find a few chunks floating around, or some skimming on

the surface, that this would be an ice-free port? Will the gentleman answer that question?

Mr. CURTIS of Missouri. I will answer it by saying that that is not the test I would apply. The test that I would apply is whether or not it impedes the operation of submarines, whether it would impede the operation of submarines, and whether it would facilitate the efforts of those who are trying to combat those submarines; in other words, if the ice condition is such as to hamper the operations. That is the test. And I think the answer in both those ports is that they certainly are. And the truth of that is the fact that the Russian submarines are especially beefed up in order to help take care of this situation.

Mr. STRATTON. Mr. Speaker, it is difficult to get the gentleman from Missouri to answer these specific questions, and I am afraid that—

Mr. CURTIS of Missouri. Mr. Speaker, just a minute. I do not yield for that kind of discussion. If the gentleman wants to be courteous, that is one thing. I have tried to answer every question. If the gentleman wants to pose a question here, I will try to answer it.

Mr. STRATTON. I apologize to the gentleman.

Mr. CURTIS of Missouri. I accept the gentleman's apology.

Mr. STRATTON. If I have been discourteous, I apologize. I have tried to lean over backward trying to be courteous. But would the gentleman acknowledge, if a situation exists where ice does not represent any obstruction to navigation that that port is ice free?

Mr. CURTIS of Missouri. I answered that question by saying that that would not be the whole test. Part of it would be this. You could make a channel through ice with icebreakers but, by that very system, you provide an easier job for your antisubmarine warfare operation, because you have channeled the subs. So what I am saying is that its relation to navigation is one aspect of it.

Mr. STRATTON. Mr. Speaker, if this condition does not exist and any ice that is found does not impede the operation of submarines or anything else, then the gentleman would agree, would he not, that the harbor is ice free?

Mr. CURTIS of Missouri. That is correct.

Mr. STRATTON. Mr. Speaker, with that concession on the part of the gentleman from Missouri, may I read from the document which the gentleman was referring to which is the Navy Shipping Directions HO-137A, first edition 1953, which refers to the port of Murmansk. It says ice does not generally interfere with oceangoing vessels, but when it does, icebreakers are employed.

Mr. CURTIS of Missouri. All right, that proves my point.

Mr. STRATTON. May I complete the thought? Here is the official statement by the Navy Department that the ice does not interfere with oceangoing vessels.

Mr. CURTIS of Missouri. Except when they have to use an icebreaker.

Would the gentleman read the whole thing?

Mr. STRATTON. The ice does not interfere with oceangoing vessels and an icebreaker is used to remove it. How can ice interfere with these vessels, if the ice is removed?

Mr. CURTIS of Missouri. Now the gentleman has answered his own question and I think we have had enough of this.

Mr. Speaker, I yield back the balance of my time.

Mr. STRATTON. If the gentleman does not want to hear the additional evidence, I am sorry.

Mr. CURTIS of Missouri. Just a moment, I will yield to the gentleman for a courteous statement.

Mr. STRATTON. I am trying in the most courteous way that I know of Mr. Speaker, to give the gentleman this additional evidence.

Mr. CURTIS of Missouri. If that is the best that the gentleman can do, I am very sorry for him but I yield to him.

Mr. STRATTON. I am trying to answer the gentleman. I apologize, for being a new Member.

Mr. CURTIS of Missouri. This has nothing to do with being a new Member. This is simply a matter of courtesy.

Mr. STRATTON. I am trying to present this information to the gentleman before his time runs out. I might add, Mr. Speaker, I have consulted personally with a naval officer who, as I mentioned, spent the war in Murmansk and he advises me that never at any time throughout World War II, contrary to the impression of the gentleman from Missouri, incidentally, was the harbor iced over at all, and the only ice that forms is a skim which does not even impede a motorboat. He points out, Mr. Speaker, which the gentleman from Missouri ought to know, that actually the submarines that operate out of Murmansk operate out from a position which is removed from the harbor itself, and in that position no ice forms whatsoever.

Mr. CURTIS of Missouri. That is just exactly right. As a matter of fact, if we were going to discuss hearsay evidence, I might say that a high-ranking naval officer pointed out to me that because the ice in the river in Murmansk harbor was such that in certain months out of the year they actually move the operation down many miles south of there, about 40 or 50 miles and, therefore, the very base that the gentleman has mentioned is not used because, although they can operate with icebreakers and a lot of other things, it is a lot more convenient to go farther south from there and operate from another base.

Mr. STRATTON. We must be talking about two different places.

Mr. CURTIS of Missouri. No, we are talking about Murmansk.

Mr. STRATTON. You move north, Mr. Speaker, to get away from the ice and not south. The reason that Murmansk is ice free is that the Gulf Stream runs by there and the submarine base is

to the north and that is why there is no ice around there.

Mr. CURTIS of Missouri. The point is they do move out of Murmansk because of the ice conditions. The gentleman himself has said that, and I think it clearly establishes the point I am making.

Mr. STRATTON. The gentleman has misunderstood me. The submarine base is located permanently in an area where there is no ice. There is no movement of submarines, so far as I know, according to the unclassified information that has been made available to me, if there is any movement at all.

Mr. Speaker, I presented to the gentleman another base which is on the open sea and which is also not impeded by ice.

Mr. CURTIS of Missouri. Oh, no, read the "Shipping Guide" for that.

Mr. STRATTON. The gentleman, in fact, was not even aware that that base existed until I pointed it out to him.

Mr. CURTIS of Missouri. I might say just to keep the record straight that the gentleman from Missouri does not, of course, agree with that last statement. I yield further to the gentleman.

Mr. STRATTON. The gentleman is free to agree or disagree.

Mr. CURTIS of Missouri. I certainly am. I yield to the gentleman.

Mr. STRATTON. May I read from the "Shipping Direction," unclassified naval source, H.O. 122A, second edition, 1951, corrected to April 16, 1958, referring to Petropavlovsk, which, Mr. Speaker, happens to be one of the major Soviet naval bases in the Far East. Very definitely it is an open sea harbor and is reported to be easy to keep open. Icebreakers work in the severe months.

Mr. Speaker, if a harbor is easy to keep open, I submit the harbor is ice free. If we are going to quibble over whether the ice is removed manually or removed by the sun, I think the gentleman realizes that he has made a wager on something that he is not entirely familiar with, and I think he ought to recognize that a base that can be kept open easily throughout the winter months where there is no interference with the operation of submarines certainly means that the Soviet submarine threat, which the gentleman from Missouri has tried to minimize, and which he has suggested is baseless and which he has suggested the Navy is trying by false and fallacious propaganda means to enlist the funds to fight this Soviet threat is, in fact, a very real threat.

Here are two bases which are on the open sea which are not impeded by ice and which actually not only could but do support the tremendous Soviet submarine fleet. Therefore I think the gentleman should acknowledge to the House that his implications that this is a baseless threat are certainly not founded on fact.

Mr. CURTIS of Missouri. The gentleman from New York is very capable with words. The gentleman from Missouri made no such statement as baseless threat. The gentleman pointed out that the Navy had exaggerated and engaged in propaganda.



I think the gentleman from New York by the matter he has read in his own statement has demonstrated that his case is not well founded.

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

Mr. CURTIS of Missouri. I yield.

Mr. GEORGE. I wonder if the gentleman will not agree that the cost of the case of whisky would be much less than the cost of printing the CONGRESSIONAL RECORD of the proceedings of the last hour?

Mr. CURTIS of Missouri. The gentleman is quite correct on that and I frankly am not at all pleased with this kind of banter because this is a serious question. My purpose in having brought it up in this fashion was having seen in the paper the offering of a case of whisky to whoever sighted a Soviet submarine at the time when we were engaged in an appropriation bill dealing with defense and naval matters. So I chose this method of bringing up the other aspect, antisubmarine warfare. That was one of two aspects; the other was the requirement of bases.

They are limited in their bases, and it is a very serious question and I have tried to discuss it seriously, and given the opportunity to others who might want to discuss certain aspects of it with me.

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

Mr. CURTIS of Missouri. I yield.

Mr. GALLAGHER. Just that we may conclude on a note of harmony, I am sure there are some others who would join in making a contribution to the Red Cross of a case of whisky to be used for medicinal purposes.

Mr. CURTIS of Missouri. I agree with that also.

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

Mr. CURTIS of Missouri. If the gentleman will recognize by his statements that I have been yielding to him. Will the gentleman agree that I have yielded to him?

Mr. STRATTON. I do not think there is any doubt but what the gentleman from Missouri has been most generous in yielding his time.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. STRATTON. Will the gentleman yield to me now?

Mr. CURTIS of Missouri. I yield.

Mr. STRATTON. I agree with the gentleman's statement that this is not a joke, in spite of the so-called wager which, incidentally, as the gentleman knows, I do not want myself, but suggested that it be dedicated to the American Red Cross. What we are dealing with is a very serious naval question that involves the security of the country.

Mr. CURTIS of Missouri. Correct.

Mr. STRATTON. And is it not true that the gentleman implied in his wager which they could operate on the open sea throughout the year? And is it not true that on the basis of the information which I have developed it turns out that the Soviets do have two bases on the open sea in which ice is no problem, that the ice does not interfere with opera-

tions? And, therefore, is it not true that the gentleman from Missouri has lost his wager and that they really have two ice-free ports?

Mr. CURTIS of Missouri. The answer of the gentleman from Missouri is obviously "No." I disagree with the gentleman on the basis of the very matter the gentleman himself has read into the RECORD.

Mr. Speaker, I yield back the balance of my time.

#### AMERICAN VETERANS COMMITTEE PLATFORM ON NATIONAL AFFAIRS

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. DIGGS] is recognized for 60 minutes.

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. DIGGS. Mr. Speaker, at its 1959 convention at Sackett Lake, Monticello, N.Y., on May 15-17, the American Veterans Committee adopted a most comprehensive platform on national affairs. Mr. Irvin Lechlitter, executive director of the organization, has sent me a copy of that platform; and, at his request, I wish to extend my remarks to include it so that the Congress and others may be informed, first, as to the American Veterans Committee's expansive interest in all areas of national concern and, second, as to the position the committee takes with respect to legislative proposals touching upon national issues.

I commend the organization for acting affirmatively as regards issues facing the Nation, for offering its own thoughtful and constructive suggestions for a liberal legislative program to meet the challenges we face today.

The platform follows:

NATIONAL AFFAIRS PLATFORM OF THE AMERICAN VETERANS COMMITTEE, ADOPTED AT THEIR 1959 CONVENTION, MAY 15-17, AT SACKETT LAKE, MONTICELLO, N.Y.

#### STATEMENT OF PRINCIPLES

AVC stands for the Bill of Rights as a living force animating the political life of our Nation and as a firm limitation on the arbitrariness of government.

AVC stands for the Bill of Rights as a guarantee of our freedom to speak, to assemble, to believe, and to dissent without fear from the conformities of the day.

AVC stands for the constitutional guarantees of equality for all regardless of race, color, ancestry, national origin, and religion.

AVC stands for responsible, efficient and honest government and for the merit system in government employment.

AVC stands for a government possessing and willing to exercise all powers necessary to bring about a solution of our national problems.

AVC stands for the just representation of the people in their legislatures within the framework of our national Constitution.

AVC supports the basic economic policy of the Employment Act of 1946 which holds out the promise of economic security for all.

AVC supports the active intervention of government, primarily of the Federal Government, in the economy and general wel-

fare of our country to stimulate and provide employment, to improve the physical conditions of our cities and towns, of our housing and our schools, to bring to all the greatest benefits from the development and conservation of our natural and industrial resources and to provide for the general welfare and health of our people.

AVC supports a tax policy based on ability to pay and opposes regressive sales and excise taxes.

AVC stands for the recognition of equal rights for labor and management and for improved social benefits of employees.

AVC supports an educational system and a public health service which will give the American people, and America's youth in particular the knowledge, skills, and training, and the physical and mental health and stamina, to continue their forward march toward America's democratic fulfillment.

#### GOVERNMENT AND LIBERTY

##### I. The Nation's freedom—the Bill of Rights

1. We reaffirm the basic right of all Americans to due process of law, the right to counsel and to freedom from unlawful search and seizure. We oppose all efforts to suppress freedom to believe, speak, write, assemble, criticize, and dissent.

2. A. We urge the passage and enforcement of Federal legislation and regulations which will insure to the citizens of the United States and of the several States the full measure of their privileges and immunities of due process of law and the equal protection of the laws guaranteed to them by the Constitution, regardless of race, color, ancestry, national origin, religion, or sex.

B. In furtherance of the decision of the U.S. Supreme Court calling upon the States to integrate their school systems "with all deliberate speed" we urge the passage of Federal legislation which will:

(1) Direct the Secretary of Health, Education, and Welfare to give technical assistance to communities engaged in integration—as well as draw up plans for any community which has failed to initiate such integration plans of its own.

(2) Give the Secretary of Health, Education, and Welfare the further duty of seeking assistance from the Attorney General to enforce the above through all legal means at hand.

(3) Provide Federal funds to help support school systems deprived of State financing because of State or local laws designed to hinder or evade integration.

(4) Empower the Attorney General to seek injunctions or proceed under law on behalf of persons claiming deprivation of civil rights or liberties.

C. We urge the enactment of Federal, State, and local legislation to prevent discrimination, whether through segregation or otherwise, because of race, color, national origin, ancestry, religion, or old age and also the denial of equal opportunity in:

(1) Voting: (a) by abolition of poll tax and any other undue restriction or voting rights; (b) by legislation which makes it mandatory for all State voting registrars to maintain their records; (c) by legislation empowering the Justice Department to obtain such records under orders from any Federal District Court.

(2) Housing: By legislation aimed at cutting off Government aid at all levels to builders practicing racial or religious discrimination.

(3) Employment: By creation of a Federal Commission on equal job opportunity under Government contracts; and legislation at all levels aimed against segregation in employment.

(4) The use of facilities and accommodations open to the public.

D. We urge the inclusion in all Federal legislation making grants to States, municipalities or private institutions, of a provision

requiring these grants to be used without discrimination on the basis of race, color, ancestry, national origin, religion or sex (except for institutions limited to the members of a particular denomination or of one sex.)

E. We urge protection by Federal law of all members of the Armed Forces from physical violence, because of race, color, ancestry, national origin or religion.

F. We urge making lynching a Federal crime as well as making provisions for compensation to the families of lynching victims.

G. We favor Federal legislation making it a crime to bomb or to conspire to bomb school, church and other public and quasi-public property.

H. We believe in the principle of church-state separation and are therefore opposed to the use of public funds for church-administered schools, the display of religious symbols on public property and sectarian instruction in public schools.

I. We favor freedom from censorship of newspapers, magazines, radio, television, motion pictures and other media by the Post Office, Customs Bureau, police departments and other units of government as well as by private pressure-groups.

J. We oppose wire-tapping and electronic eavesdropping, whether by private individuals or Government officials, elected or appointed.

3. A. The right against self-incrimination. A personal right to refuse to testify on any matter which he fears may tend to incriminate him is a fundamental constitutional right which should not be diluted or impaired. No inference of guilt in any legal proceeding should be drawn in regards to any person solely because such person exercises this right.

B. The right to travel. The right of an American citizen to travel abroad should not be arbitrarily abridged by the Federal Government. A citizen should be free to leave this country without an "exit permit" which the passport has in recent years in large part become.

C. Immigration and naturalization. We urge revision of the immigration and naturalization laws to eliminate racial and religious discrimination, to eliminate the outdated national origins quota system and to do away with distinction in the treatment of native born and naturalized citizens.

We urge that all hearings on immigration and naturalization matters be subject to the safeguards of the Administrative Procedures Act.

We urge revision of our nationality laws to remove from them the provisions on loss of citizenship except for loss of citizenship through voluntary expatriation.

We urge that no person should be deported for any activity which was legal at the time of such activity. We urge furthermore, a revision of our deportation policies so as to make any person who has lived a major portion of his life in the United States since childhood not subject to deportation.

## II. The Nation's Government

1. Freedom of information: The right of the people to full knowledge of governmental affairs must not be abridged, except where disclosure would imperil the national security or where disclosure would, without substantial public benefit, encroach on the right of the individual to personal liberty or freedom.

2. Congress: We urge proper changes in the rules of the Congress of the United States which will make it possible for the majority of the Members to vote cloture or close debate on legislation after a reasonable period, and which will make merit, not tenure alone the standard to be used in the selection of committee chairmen.

3. State and Federal relations: Federal payments to the States for aid to schools in federally impacted areas, for assistance to

the blind, disabled, dependent children, and the aged, for slum clearance, waste treatment facilities, vocational education, and hospital construction must be continued. We favor Federal supervision which assures minimum standards in the performance of these cooperative programs.

4. State and local government: We urge reapportionment within the States to provide for equitable representation based on current population distribution.

5. The Federal civil service:

A. Apart from discharges based on reorganization of Government activities or reductions in force, Government employees should be discharged only for cause and through due process of law. The employee should be presented with a written statement of charges, have the right to a hearing before an impartial board. He shall have the right to present evidence, be confronted with adverse witnesses, cross-examine witnesses, and receive a transcript of the hearing free of charge. Action toward his separation from the Government service should be taken only on the basis of the record thus made.

B. The rights granted to veterans in the Veterans Preference Act in regard to discharge procedures and appeals should be extended to all Government employees except those in probationary status.

6. District of Columbia: We urge that the District of Columbia receive:

A. The right to full local self-government;

B. The right to vote in presidential elections and to representation in the electoral college in proportion to its population;

C. The right to elect one nonvoting Commissioner to sit in the House of Representatives and to represent the District in Congress;

D. A fixed annual contribution in lieu of real and personal property taxes on federally owned property within the District of Columbia.

## ECONOMIC SECURITY

### III. Basic economic policy

1. We continue to support the Employment Act of 1946 which states it is the policy of the Government to create and maintain "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work and to promote maximum employment, production, and purchasing power."

2. To insure the interest of the consumer, we urge Congress to establish a Department of the Consumer, to be headed by a Secretary of Cabinet rank.

3. We know from our national experience that maximum prosperity, without inflation, can only be attained and maintained so long as the national economy continues to expand its consumption and investment with increased leisure at a rate equal to our population growth, plus rising productivity per man-hour. National policies and programs to insure this rate of national economic growth should be established.

### IV. Monetary and tax policy

#### 1. Monetary policy:

A. We urge the increase of and additional appropriations for much-needed social, welfare and economic measures as sound investments in the well-being of our Nation.

B. We urge easier credit for small business, home building, and the family farm.

C. We urge the establishment of a Federal capital budget for reimbursable public works projects with a life in excess of five years, in order to rationalize public works appropriations and to improve the accounting and budgetary operations of the Government.

#### 2. Tax policy:

Increased economic activity together with stricter enforcement of our tax laws should produce much of the income needed to

finance the Government programs which we support.

We urge the elimination of special provisions in the internal revenue laws which are discriminatory in nature. As blatant examples, we point to the favored tax treatment of the extractive industries, the restricted stock options for corporate executives, the retirement income credit, the preferred tax treatment of profits on stock market transactions, and the dividend exclusion and credit provisions.

We also call for an end to the abuse of the deductibility of business expenses to finance luxurious travel, vacations, and entertainment for business management, professional men and sales executives.

### V. Housing and urban renewal

AVC is vitally aware of how closely the country's economy and well-being are dependent upon the building and housing industries and of the continued need for additional housing at reasonable rents. With this in mind we offer the following housing program:

1. That the FHA and VA insure mortgages for a term up to 40 years with low downpayments and that the Federal Government make said mortgages attractive investments to lending institutions.

2. An enlarged and vigorous middle income program both publicly owned and Government stimulated and privately sponsored including consumer cooperative housing as the best method of meeting the needs of an ever-growing middle class.

3. That the Government (municipal, State, Federal) pursue a vigorous program of urban renewal planning and make provisions for the smaller builder-owner and individual owner to participate actively.

4. Vigorous enforcements of present Government antidiscrimination clauses in FHA and VA loan provisions and a Federal law insuring open occupancy in all sales and rentals.

5. Continued and expanded publicly owned housing for low income groups, together with a Government stimulated, privately sponsored program to provide housing for said groups with a view toward giving subsidies, grants-in-aid, mortgage guarantees, site clearance aid and real estate tax abatement.

6. That the Government (Federal, State, and municipal) make allowance in the form of subsidized additional mortgage guarantees and real estate tax abatement to builders and owners who make special provisions for the disabled and the aged.

### VI. Conservation and development of natural resources

We view the development and conservation of our natural resources as a vital part of the Government's role and policymaking function in the economy. Because of the scope of the subject, we state, however, our proposals in this field under a separate heading.

1. Department of Natural Resources. We suggest the reorganization of the Department of Interior as a Department of Natural Resources to promote effective application of the principles of conservation and development to all segments of our national life concerned with natural resources, and to center Federal responsibility in this field clearly within a single agency.

2. Soil and Forest Conservation. We urge the Department of the Interior and Agriculture to continue and expand their programs of education and control designed to encourage wise conservation practices. We further request the appropriate committees of Congress to remain constantly vigilant to detect and prevent by appropriate legislation any unnecessary destruction or loss of the truly irreplaceable resources of soil and forest.

3. Water conservation. We recognize that, if water use continues to increase at its



present rate, we shall be faced within a century with the necessity of using and re-using every gallon of water available from natural sources within our country.

A. We therefore, reaffirm our strong support of the comprehensive river basin development (one river—one plan) principle first proclaimed by Theodore Roosevelt in his message to Congress of February 26, 1908.

B. We urge the accelerated application of this principle to our great river basins in order to assure their full development and to prevent the waste of a large proportion of their resources, and condemn the abandonment of this principle by the present administration in the Hells Canyon conflict and the violation of the comprehensive plan for the Columbia River Basin.

C. We favor enactment of legislation to establish a coordinated Great Plains Administration and the coordination of separate regional developments of this type, both with respect to river valley considerations and to national economic policies.

D. We urge the Federal Government to undertake the planning and construction of multi-purpose water and power projects similar to the one provided for in the Tennessee Valley. The value of the social and economic benefits provided by these projects to these areas and their inhabitants are far in excess of the investment made by the Government in their development. Their very scope and vastness preclude their proper development by the short-term, piece-meal operations of private power interests.

E. With the limitations of fresh water from natural sources clearly in view, we ask for development and conservation of all our water resources for maximum domestic, agricultural, industrial and recreational uses.

F. We urge the Department of the Interior to expedite the program to develop economic means of converting brackish and saline waters into usable fresh waters at economic cost.

4. Energy resources conservation: We call for the establishment of a rational, comprehensive national policy to guide the development and use of our energy resources and a positive, dynamic Federal program to effectuate that policy, especially:

A. The maximum feasible development of our only perpetually renewable energy resource, the hydro-electric power of our great river systems, including Federal construction of such multi-purpose power dams as Hells Canyon Dam, the Trinity River project and other waterpower, irrigation, flood control and navigation works, using standards of feasibility for such projects based upon their reasonably expected service life.

B. A continuation and acceleration of the Federal programs to develop and stimulate development of effective processes for the utilization of our immense reserves of oil, shale and coal.

C. The speedy development of atomic energy (both fission and fusion type) for power and other peaceful purposes, including the construction of atomic power reactors and powerplants by the Government, to develop atomic technology and ultimately to provide for low-cost atomic power.

D. With our production and consumption of electric energy increasing at phenomenal rates, we urge the establishment of a rational and coherent national policy to maximize the benefits available from the great strides technology has made in high-capacity, high-voltage generation and transmission and to assure to every part of the Nation the economic stimulus of abundant low-cost power.

5. Wildlife and recreation: We urge an increasing expansion of our national park system, national monuments and national

forests for recreation of the people of the United States and for preservation of wildlife and the conservation of the few remaining wilderness areas in our country in their natural state.

6. Public lands and Indian rights: We strongly recommend enactment of laws making it mandatory for the executive branch to submit to Congress for prior approval any proposal to sell or grant proprietary privileges in Federal-owned land or resources to private interests. We oppose revocation of Federal commitments entered into by treaty between the U.S. Government and various Indian tribes. We shall support efforts to safeguard Indian lands and resources from exploitation and expropriation in violation of treaty obligations.

#### VII. Agriculture

We believe that the land, water and other natural resources should be used and conserved by owners and operators in such a manner as to pass on these irreplaceable natural resources undiminished to future generations.

We are convinced that families on family farms can best conserve these priceless national assets and that they are an essential balancing force in the social, economic and political structure that is vital to the stability, preservation and improvement of representative democratic government.

We support the right of farm families to earn and receive income from their work, management, and property ownership equivalent to those earned and received by people in other walks of life from similar productive resources.

We believe that these aims can be attained through combined individual and co-operative private action with and under programs of democratic government.

Industrialized agriculture, which now is able to use unprotected and sweated farm labor, domestic and imported, in competing unfairly with family type farming, must be brought into compliance with all labor and welfare legislation which now protects non-farm industrial workers, including the Wage-Hours Act, social security, unemployment compensation, the Taft-Hartley Labor-Management Relations Act and State workmen's compensation, health and safety laws. Only as these long overdue extensions of coverage are made can more than 2 million migrant farm workers—the most depressed, helpless, and exploited remaining segment of our society—be given first-class citizenship in our economy; only as this is done can family farm operators be assured of the fair competition needed for their survival at a truly American standard of living.

#### VIII. Labor and social policy

We urge:

1. An increase in the Federal minimum wage to \$1.25 and extension of Federal minimum wage legislation to cover employees now excluded. We favor similar extension of coverage for the Fair Labor Standards Act as a whole.

2. Federal standards to increase unemployment insurance benefits, more realistic eligibility standards and lengthening of the period for which benefits are paid to 39 weeks.

3. Improved social security benefits, including earlier optional retirement. We warn against the tendency of administrators of the act to construe the act narrowly in many individual cases, so as to deny social security benefits contrary to the spirit of the act.

4. Amendment of the Taft-Hartley Act to outlaw State right-to-work laws, to compel the NLRB to accept jurisdiction whenever an employer is actually engaged in interstate commerce, to grant strikers the right to vote in certification elections and generally to establish labor's equality with management in labor's own sphere. Such

changes in the law are necessary since the Taft-Hartley Act has not brought about friendly relations between management and labor but has unjustifiably limited—especially as currently administered—the sphere of union activity and has unjustly prevented workers, in many parts of the Nation, especially in the South, from exercising their right to organize.

5. Enactment of laws for the full disclosure of the administration of pension and health and welfare plans, whether administered by unions or management or jointly by both. Federal law should follow existing Federal securities legislation and State laws such as that of the State of New York, except for the exemptions contained in the latter.

6. The recently disclosed abuses in labor union management call for labor vigorously to clean its own house with the aid of Federal remedial legislation. Caution should be exercised in regard to legislation dealing with internal union management so that it will strengthen, not weaken an independent democratic labor movement. In particular, we oppose proposals to bring the labor union under the sway of the antitrust laws.

7. Legislation requiring unions to admit to membership qualified applicants without regard to race, color, ancestry, national origin, religion or sex.

8. Legislation granting official recognition to Federal employee unions.

#### IX. Education

Impressed by the fresh insights and persuaded by the soundness of the Rockefeller Brothers Fund 1958 Report on Education in America, we call for active governmental leadership, community interest and support:

1. To promote widespread recognition of the fact that "in the quality of education lies the fate of freedom itself," to provide educational opportunity for every American to the limits of his capacity, and to identify the talented among us and challenge them to their highest achievement.

2. To insure the availability of adequate funds for public school construction and raising teachers' salaries, such as in the revised Murray-Metcalfe bill (or similar legislation) and for necessary expansion of the physical plant in tax-supported institutions of higher learning, all on a scale sufficient to satisfy the demands imposed by continuing increases in student population and the cost of living, to improve the quality of education and to elevate the status of the teaching profession to a level commensurate with its social importance; also to explore the practicability of the creation of a large fund to provide loans repayable by the borrowers over long terms out of excess earnings attributable to education above minimum levels.

3. To improve and extend existing scholarship and loan programs for college and university students.

4. To extend scholarship and exchange programs for study by Americans abroad and by nationals of other countries in the United States.

5. To appropriate adequate Federal aid to communities impacted by Federal programs.

#### X. Public health

We urge:

1. Increased Federal expenditures for research in the prevention and cure of illness.

2. Expansion of medical insurance and group medical care plans, including a plan for national health insurance.

3. Expansion of public health facilities and services, hospitals and nursing homes and facilities for the rehabilitation of the aged and disabled.

4. Access by patients to all health facilities and services, hospitals and nursing homes without regard to race, color, ancestry, national origin, religion or sex.

# *XI. Civil defense*

Aware of the importance of a vigorous civil defense effort to the very survival of the United States and its people, AVC favors effective action at all levels of governmental and individual effort in order to secure the maximum degree of protection.

## ANNOUNCEMENT OF HEARINGS ON THE BIOLOGICAL AND ENVIRONMENTAL EFFECTS OF A NUCLEAR WAR

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 15 minutes.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, modern science and industrial techniques have produced many types of nuclear weapons and systems of delivery. Individual nuclear weapons may range in quantities of released energy from a few hundred tons of TNT power to 10, 20, 30 millions of tons of TNT power. A thousand-ton TNT bomb is called a kiloton bomb, a million-ton TNT bomb is called a megaton bomb.

It is common knowledge in military circles that the nuclear weapons inventories of the United States, the United Kingdom, and the Soviet Union are computed in thousands of megatons. Each of these nations are producing many additional megatons of nuclear weapons annually for their respective inventories.

Each of these nations have announced to the world that they will use their nuclear weapons in defense of their national interest to preserve their particular way of life.

The threat of nuclear war, therefore, hangs over the world unless somehow a way can be found to establish universal peace between the nuclear weapons owning nations of the world.

The great problem which faces, not just the diplomats, but the more than 2½ billion people who live in the present uneasy cold war situation, is to find a solution to prevent a worldwide nuclear war.

Before any problem can be solved it must be understood. The more difficult and complicated the problem, the harder it is to find the solution.

Since the dawn of history, we know that war has existed between tribes, empires, and nations. Wherever men with antagonistic beliefs and ambitions of conquest possessed the weapons of their age, it seemed that—almost automatically—there was conflict—war.

The simple weapon, a club, a spear, a sword or a gun, was improved and multiplied and wars became more efficient, in the slaughter of greater numbers of human beings. The increase in efficiency of weapons did not prevent wars. In each succeeding war more advanced weapons were used.

History does not record an instance of a nation refusing to use its most

efficient weapon if faced with the threat of survival.

The most efficient weapon ever developed in man's long history is the atomic-hydrogen weapon. One 10-megaton nuclear weapon will release almost four times the energy which was released in all the bombs of World War II—2,600,000 tons of TNT equivalent.

We have no reason to believe that history will not be repeated. In the light of man's long and violent history, how can we say with confidence, "There will be peace in our time. Nuclear war will not be visited on the people of the world"?

The major nations of the world are engaged in a mad race to increase their inventories of nuclear weapons and to develop a more efficient method of delivery upon their potential targets in other nations.

More than half of the Federal budget of the United States is expended in the armament race. The same situation exists in all the great nations. Humanity is carrying a crushing and suicidal burden.

How can this burden be lifted?

How can man be saved from the suicidal result of the nuclear armament race?

If we are to prevent nuclear war there must be a reversal of the trends of historical behavior. There must be as great a revolution in the minds of millions, yes hundreds of millions of human beings throughout the world, as there has been in the efficiency of weapons since 1945.

What can cause this revolution in the minds of men, which will be so world sweeping in its effect as to reverse the centuries-old trend of human behavior?

Can it be caused by political ideas? Conflicting political ideas have been the genesis for wars beyond number.

Can it be caused by religious ideas? Conflicting religious ideas have been the cause or excuse for wars as far back as history is recorded.

I know of no political ideology whose attraction is so universal as to create the change in man's behavior which we seek.

I know of no religious faith whose attraction is so strong as to inspire universal acceptance by all races and creeds.

Is there a natural trait in man which is universal and powerful enough to cause the same response in people of all religions, races, and creeds?

I have tried to find such a trait. Love, hate, hunger, fear—all these traits I have weighed and found wanting. Then I thought of the desire to live. Certainly here is the most compelling universal trait of the natural compulsions in man.

There is an end to love, to hate, to hunger, and even to fear. But, the will to survive, the will to live, persists in most men until conscious mind ceases to function.

Is it true that the will to survive is the first and strongest law of nature? A plant, an animal, yes, and a man will strive against all the adverse elements of the environment to survive.

It may be that the desire to live, the will to survive, is the key to man's survival in the nuclear age.

If, however, this trait within all humankind is to be utilized, it must be awakened to the threat against survival which I firmly believe exists in the on rushing danger of nuclear war. Before the minds of men can be awakened and convinced that their own life, their actual survival and the survival of their families is involved, they must understand the nature and effect which a nuclear worldwide war would have upon the human race. They must know and believe that their individual chance for survival is very meager. It must become, in each mind, a conviction that nuclear war is a hazard which they cannot escape by good fortune. Each person must realize that a great personal hazard exists of loss of their life. Or, if they do escape death, they will probably have their bodies so damaged by radiation that their life span will be shortened.

They must also realize that the survivors will live in a world where damaged genes and chromosomes will exist in the genetic pool of human life for untold generations.

In my considered opinion, an understanding of the effects of nuclear war is an absolute necessity then, if a conviction of personal and family hazard is to become a part of a force which can affect or regulate the behavior of human beings throughout the world. This understanding must be built upon logical and provable facts, rather than appeals to emotions, such as blind fear, hate, or philosophical, political, and religious views.

This reasoning is not to disparage any of these strong factors which may be dominant in the mental control of behavior. It is a recognition, rather, of the historical fact that their degree of control has not been universal in application or effect upon the global man.

Approach to the human mind must continue to be made through any avenue where effective understanding can be made. The time may be tragically short.

How can the people of the world be reached with the true facts attendant upon a full scale nuclear war?

First, they must be furnished those facts in a calm and judicious manner. We must establish—on the record—basic scientific facts and interpretation of facts in the field of nuclear weapon effects on man and earth's environment. Those facts must be based on the testimony of professional experts in each field of knowledge. Those professional experts must be chosen because of their expertness rather than because they may be newsworthy or "big name."

In order to bring to the people the vital facts, the special Subcommittee on Radiation of the Joint Committee on Atomic Energy will hold a series of public hearings on the biological and environmental effects of a nuclear war. The hearings will begin at 10 a.m. on June 22, 1959, in the Senate caucus room. Additional hearings will be held each day during the following 4 days in the old Supreme Court room.

The subcommittee has, for some time, realized that considerable confusion exists in the public mind as to the probable effects of nuclear weapons and their



aftermath in the event of their employment in war.

We believe it is in the national interest to clarify this confusion and that clarification can be accomplished within the limits of unclassified information.

The subcommittee and its staff have earnestly and diligently prepared an agenda and invited a distinguished and competent group of professional experts to be witnesses. These witnesses have been chosen strictly on the basis of their competence and experience in the different fields of nuclear phenomena, with particular emphasis on nuclear weapons effects.

In the biomedical field, we have chosen the men who have had the most experience in laboratory work on animals and actual experience in treating human beings who have been exposed to radiation, such as the Japanese survivors of Hiroshima and Nagasaki, and the Marshall Islands victims.

In the field of structural damage from blast and fire, we have chosen the experts who conducted or evaluated the "on the ground" results of bomb tests at the Nevada and South Pacific testing grounds.

We turned to the experts in the U.S. Weather Bureau, backed by their worldwide organization, to establish for us a typical weather pattern for the date of our simulated attack.

The Office of Civil and Defense Mobilization has cooperated to the fullest extent in transferring our attack assumptions to maps, charts, and other visual aids. Their experience in computing structural damage by blast and fire, as well as human casualties in the various "Operation Alerts," provided us with responsible and competent assistance in these vital fields.

We have utilized a mass of unclassified data from governmental and private sources on the effects of radiation. We are particularly indebted to Dr. Paul Tompkins, his associate, Mr. W. R. Strobe, and others from the Naval Radiological Laboratory.

The resources of the Atomic Energy Commission, its personnel, and unclassified publications have been made available by Chairman McCone and have been of great value to the subcommittee and its staff.

It is the sincere purpose of the subcommittee to bring to the people of our country and the world the vital facts regarding the effects which a nuclear war would have on man and his environment. We believe that an informed and intelligent citizenry is the best insurance for the survival of free people.

JOINT COMMITTEE ON ATOMIC ENERGY—  
PROPOSED OUTLINE FOR PUBLIC HEARINGS  
ON THE BIOLOGICAL AND ENVIRONMENTAL  
EFFECTS OF NUCLEAR WAR TO BE CONDUCTED  
BY THE SPECIAL SUBCOMMITTEE ON RADIATION, JUNE 22-26, 1959

#### GENERAL SCOPE OF THE HEARINGS Purpose

To project as far as is technically possible the probable impact of the detonation of X000 megatons of nuclear weapons upon man and his environment both in the countries attacked and elsewhere on the planet. Competent witnesses in the biological and physical sciences will testify. The main emphasis of the hearings will be on the

nuclear radiation effects of modern weapons.

#### Background

The subcommittee has, for quite some time, held the opinion that considerable confusion exists in the public mind as to the probable effects of nuclear weapons and their aftermath in the event of their employment in war. It is in the national interest to clarify this confusion insofar as possible within the limits of classification regulation.

Part of the apathy in the U.S. civil defense effort may be traced to ignorance of the true effects of radioactive fallout. In a time of national emergency an uninformed public could present a very real hazard to the Nation's security.

#### Limitations

No attempt will be made in this series of hearings to consider the overall impact of nuclear war upon the Nation's economy, specific recovery measures, or the degree of industrial recuperability in the long range post attack situation.

#### Classification

Since the hearings will deal directly with the effects of nuclear weapons and their biological consequences, extreme care must be exercised to prevent the introduction of classified material.

#### The attack pattern

To assure a uniform basic problem it was decided that the attack pattern would be specified by the committee. This would provide a common basis from which independent analysis could then be made by each witness.

To absolutely insure against the possibility of any direct or indirect inferences to existing classified war plans or stockpile information, the committee, by design, refrained from requesting the support of any Department of Defense agencies in establishing this pattern or from using any classified information.

The pattern was developed under the following assumptions:

1. Type of attack: A limited attack delivered against Western European bases and the continental United States by an aggressor employing any or all of the following weapons systems (the term "limited" is meant to denote less than the maximum scale of attack but with greater dispersion of weapons than an attack directed only against strategic force bases):

- A. Long range bombardment aircraft.
- B. Submarine delivered missiles.
- C. ICBM's.

For the purposes of computing global fallout a limited retaliatory attack against the aggressor homeland is used.

In making these assumptions the subcommittee has, in no manner, attempted to "wargame" or explore the many factors involved in the problem of delivery or retaliation but is accepting for working purposes a net delivery in the limited types of attack involving the megatonnage indicated.

2. Selection and location of targets: The targets in the continental United States were selected in accordance with those types used by OCDM in the conduct of their unclassified civil defense exercises and from published lists of military bases and Atomic Energy Commission installations. It was necessary to designate specific targets in order that realistic casualty and damage estimates could be prepared.

No attempt was made to pinpoint targets outside the continental United States. However, a total yield contribution in the Northern Hemisphere is necessary for long range, world-wide fallout computation.

#### 3. Weapons:

(a) Weapons spectrum:

10 MT	3 MT
8 MT	2 MT
1 MT	

(b) Total megaton contribution on continental United States: 1,453 megatons.

(c) Continental U.S. target distribution:

Target:	Total megatons
70 Critical target areas industrial complexes, communication centers, population centers)	566 MT

112 Air Force installations	653 MT
21 AEC installations	168 MT
12 Army installations	24 MT
5 Navy installations	28 MT
4 Marine Corps installations	14 MT

(d) Time of attack: 12 o'clock, Greenwich Meridian time, on a typical mid-October day (assumes completed harvest in aggressor homeland).

(e) Weather pattern: Actual pattern of October 17, 1958.

(f) Height of burst: All weapons ground burst.

(g) Fission-fusion ratio: 50/50 (all weapons).

(h) Megaton contribution on Northern Hemisphere outside the continental United States: 2,500 megatons (includes (a) contribution on aggressor homeland; (b) contribution on overseas U.S. and allied targets).

#### TENTATIVE SCHEDULE

##### Monday, June 22

Morning session, 10 a.m.; location, caucus room, Old Senate Office Building.

I. Opening statement by Chairman Hollifield: 10 a.m.-10:20 a.m. (20 minutes).

II. Basic assumptions and presentation of the attack pattern: 10:20 a.m.-10:40 a.m. (20 minutes).

A. Topics covered: Over-all situation, type of attack, time of attack, weapons and yields involved, target complexes.

B. Witness: Mr. Eugene Quindlen, Office of Defense Mobilization.

III. Statement for the record—comments on the assumptions: 10:40 a.m.-10:50 a.m. (10 minutes).

Witness: Office of the Secretary of Defense.

IV. Basic effects of the specific weapons used in the hypothetical attack pattern: 10:50 a.m.-11:20 a.m. (30 minutes).

A. Topics covered: Blast, thermal and initial radiation effects of the following weapons: 10-megaton, 8-megaton, 3-megaton, 2-megaton, 1-megaton.

B. Witness: To be announced.

IV. Initial radiation and physical effects of the attack against the continental United States: 11:20 a.m.-12:15 p.m. (55 minutes).

A. Topics covered:

1. Radiation patterns, below 60,000 feet for the period: D-Day plus D plus 90 days.

2. The blast and thermal damage assessment—not to include human casualties.

B. Witness: Dr. Charles Shafer, Office of Civil Defense Mobilization.

##### Monday, June 22

Afternoon session, 2 p.m.; location, caucus room, Old Senate Office Building.

V. The worldwide fallout pattern: 2 p.m.-2:15 p.m. (15 minutes).

A. Topics covered:

1. A presentation of the worldwide fallout pattern resulting from the aggressor attack on the continental United States and U.S. and allied bases in the Northern Hemisphere and the retaliatory attack on the aggressor homeland by the U.S. strategic forces.

2. The long-term hazard.

B. Witness: Dr. Lester Machta, U.S. Weather Bureau.

VI. Basic properties and effects of radioactive fallout: 2:15 p.m.-3:15 p.m. (60 minutes).

A. Topic covered:

1. Composition of debris.

(a) Radioactive elements produced by fission and fusion.

(b) Effects on dose rates and total dose. (Notes.—Each single factor will be related to the time and distance from a single detonation.)

2. Deviations from theory.

B. Witness: Dr. Terry Triffet, Naval Radiological Defense Laboratory, San Francisco, Calif.

VII. Factors modifying behavior of radioactive deposits:

A. Topics covered:

1. Effects of meteorology (wind and weather conditions), 3:15 p.m.-3:30 p.m. (15 minutes).

Witness: Dr. Lester Machta, U.S. Weather Bureau.

2. Degree of builtupness on the deposits and radiation fields produced, 3:30 p.m.-4:15 p.m. (45 minutes).

Witness: Dr. Charles M. Eisenhauer, National Bureau of Standards, Washington, D.C.

3. Neutrons (prompt gammas), 4:15 p.m.-4:45 p.m. (30 minutes).

Witness: To be announced.

#### Tuesday, June 23

Morning session, 10 a.m.; location, room P-63, the Capitol.

4. Normal weathering and the effects of terrain (mountains and hills; ravines and gullies; vegetation, etc.), 10 a.m.-10:50 a.m. (50 minutes).

Witness: Mr. Myron Hawkins, project civil, University of California.

VIII. Round table panel discussion on the basic properties and effects of radioactive fallout: 10:50 a.m.-11:50 a.m. (60 minutes).

Panel membership: Dr. Paul Tompkins, Naval Radiological Defense Laboratory; Dr. Terry Triffet, Naval Radiological Defense Laboratory; Dr. Charles M. Eisenhauer, National Bureau of Standards; Mr. Myron Hawkins, project civil; Mr. Robert Corsbie, U.S. Atomic Energy Commission; Dr. Charles Shafer, Office of Civil Defense Mobilization; Dr. Lester Machta, U.S. Weather Bureau.

IX. Biological effects:

A. Humans:

1. Blast effects, 11:50 a.m.-12:30 p.m. (40 minutes).

Witness: Dr. Clayton S. White, Director of Research, Lovelace Foundation, Albuquerque, N. Mex.

#### Tuesday, June 23

Afternoon session, 2 p.m.; location, room P-63, the Capitol.

2. Heat and light (thermal burns and flash effects on the eyes), 2 p.m.-2:40 p.m. (40 minutes).

Witnesses: Dr. William T. Ham, Jr., department of biophysics, Medical College of Virginia, Richmond, Va.; Dr. George Mixer, Jr., associate professor of surgery, NYU Post Graduate School of Medicine; Cmdr. Charles H. Fugitt, USN, radiation consultant.

3. Radiation: (a) Acute effects, 2:40 p.m.-3:20 p.m. (40 minutes).

Witness: Dr. Payne S. Harriss, health research division, Los Alamos Scientific Laboratory.

(b) Effects from protracted exposures.

(1) Experimental: 3:20 p.m.-4 p.m. (40 minutes).

Witness: Col. J. E. Pickering, USAF, School of Aviation Medicine, Randolph Air Force Base, Tex.

(2) Humans: 4 p.m.-5 p.m. (60 minutes).

Witness: Dr. Robert R. Newell, Naval Radiological Defense Laboratory, San Francisco, Calif.

#### Wednesday, June 24

Morning session; 10 a.m.; location, room P-63, the Capitol.

(c) Skin (beta burns): 10 a.m.-10:30 a.m. (30 minutes).

Witness: To be announced.

(d) Acute effects of ingestion and inhalation of fallout debris:

(1) Ingestion: 10:30 a.m.-10:50 a.m. (20 minutes).

Witness: Dr. Gordon Dunning, Division of Biology and Medicine, U.S. Atomic Energy Commission.

(2) Inhalation: 10:50 a.m.-11:30 a.m. (40 minutes).

Witness: Dr. Stanton Cohn, Brookhaven National Laboratory.

(e) Measures of body burdens of fission products: 11:30 a.m.-12 noon (30 minutes).

Witness: Lt. Col. James B. Hartgering, M.D., USA, Walter Reed Army Medical Center, Washington, D.C.

#### Wednesday, June 24

Afternoon session, 2 p.m.; location, room P-63, the Capitol.

(f) Somatic and genetic effects:

(1) Somatic: 2 p.m.-2:40 p.m. (40 minutes).

Witness: Dr. Hardin Jones, Donner Laboratory, University of California, Berkeley, Calif.

(2) Genetic: 2:40 p.m.-3:20 p.m. (40 minutes).

Witness: Dr. James V. Neel, department of human genetics, University of Michigan Medical School, Ann Arbor, Mich.

X. Panel on biological effects: 3:20 p.m.-4:20 p.m. (60 minutes).

Panel members: Dr. Paul C. Tompkins, Naval Radiological Defense Laboratory; Dr. Robert R. Newell, Naval Radiological Defense Laboratory; Dr. Donald Chamberlain, University of Pennsylvania; Dr. Gordon Dunning, U.S. Atomic Energy Commission; Dr. Hardin Jones, Donner Laboratory; Dr. Payne S. Harriss, Los Alamos Scientific Laboratory; Dr. James V. Neel, University of Michigan.

XI. Environmental contamination:

A. Effect on animals: 4:20 p.m.-4:40 p.m. (20 minutes).

Witness: Dr. Bernard F. Trum, director, animal research division, Harvard University Medical School, Boston, Mass.

B. Effect on food supply:

1. Soils and crops: 4:40 p.m.-5 p.m. (20 minutes).

Witness: Dr. Robert T. Reitemeier, Department of Agriculture, Washington, D.C.

#### Thursday, June 25

Morning session, 10 a.m.; location, room P-63, the Capitol.

2. Processed foods: 10 a.m.-10:40 a.m. (40 minutes).

Witnesses: Dr. Edwin P. Laug, Bureau of Biological and Physical Sciences, Food and Drugs Administration; Mr. Shelby B. Gray, Bureau of Program Planning and Appraisal, Food and Drug Administration.

C. Long-term effects on environment:

1. Experimental: 10:40 a.m.-11:20 a.m. (40 minutes).

Witnesses: Dr. Kermit Larsen, UCLA, Atomic Energy Project, Los Angeles, Calif.; Dr. James Neel, UCLA, Atomic Energy Project, Los Angeles, Calif.

2. Long-range implications: 11:20 a.m.-12 noon (40 minutes).

Witness: Dr. John Wolfe, Division of Biology and Medicine, U.S. Atomic Energy Commission.

#### Thursday, June 25

Afternoon session, 2 p.m.; location, room P-63, the Capitol.

XII. Casualty estimates (human beings in the United States).

A. Under conditions of attack pattern outlined: 2 p.m.-3 p.m. (60 minutes).

1. Casualties from blast and fire.

2. Immediate casualties from acute radiation.

Witness: Mr. Eugene Quindlen, Office of Civil and Defense Mobilization.

B. Delayed casualties from radiation: 3 p.m.-4 p.m. (60 minutes).

Witness: Dr. Gordon Dunning, Division of Biology and Medicine, U.S. Atomic Energy Commission.

XIII. Survival measures (technical considerations) and their effects on saving human lives: 4 p.m.-5 p.m. (60 minutes).

A. Topics covered:

1. Population shelters: (a) Protection available from existing shelters; (b) special shelters.

2. Protective measures for emergency supplies and equipment (food, medical, water, essential equipment, etc.).

Witness: Mr. W. E. Strobe, Naval Radiological Defense Laboratory.

#### Friday, June 26

Morning session, 10 a.m.; location, room P-63, the Capitol.

XIV. Emergency protection measures: 10 a.m.-10:50 a.m. (50 minutes).

A. Topics covered:

1. Warning devices.

2. Communications.

3. Monitoring.

Witness: Dr. Willard F. Libby, Commissioner, U.S. Atomic Energy Commission.

XV. Panel discussion: 10:50 a.m.-12 noon (70 minutes).

A. Topics to be covered:

1. Reliability of estimates.

2. Strategic implications (role in deterrence).

Panel members: To be announced.

### SUGAR LEGISLATION

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

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

There was no objection.

Mr. LANE. Mr. Speaker, sugar is a completely controlled commodity.

Shades of Soviet Russia.

Not content with the power vested in the Federal Government to manipulate supply and price, there are some well-meaning but misguided people who would make this control permanent. If they succeed in this, the next step is legislation that will forbid us to use Cuban or Puerto Rican sugar, and force us to depend on rationed supplies of domestic sugar.

I wonder what would happen if the consumers rebelled against these monopolistic practices, and decided to go on strike against inflated prices based on artificially created shortages? Perhaps the lobbyists would then push for forced feeding legislation.

The alleged reason for making permanent the Sugar Act of 1948 is to protect the domestic sugar-producing industry. Up to a certain point they have a legitimate claim to our consideration, but when they seek extreme protection, the time comes when we must say "No."

Look at the special benefits we already provide for the favored domestic sugar industry.

First. Import duty. We do not object to this, because we believe it reinforces our contention that similar protection should be accorded to other American industries.

Second. The processing tax.

Third. Direct payments by the Federal Government to producers. If only such generosity had come to the rescue of our textile industry.

Fourth. Quotas for domestic producers and foreign countries. Here is where the shell game comes into play.



Are they satisfied with these subsidies paid for by the consumers and the general public? Not at all. They want to freeze this preference forever.

It is not surprising that the Director of the Sugar Division of the Department of Agriculture admitted that the administration of the Sugar Act has been in accordance with the desires of the domestic sugar industry. But it is justifiably resented by the manufacturers who depend upon sugar as the basic material in their products and by the consumers of the end-product.

Here is an example of the harm done. Puerto Rico, an important east coast supplier, was unable to fill its quota of our normal needs in 1958. The northeast was faced with a shortage unless the Puerto Rican deficit should be re-allocated to Cuba—the dependable supplier of the northeast—or some other area or country in a position to provide us with the required supply to meet demand. Under the 1956 amendments, however, the other domestic producing areas were given priority in filling the Puerto Rican deficit. This imbalance meant that more sugar was made available on a relative basis to the western part of the United States—the area of smallest consumption—and a relatively shorter supply along the eastern seaboard, which is the area of heaviest consumption. In the fall of 1958, when it became plain that domestic producers could not meet all of their quotas following the deficit reallocations, Cuba was permitted to ship an additional 50,000 tons, as a token correction that did not remedy the situation.

I congratulate the Director of the Sugar Division of the Department of Agriculture for the forthright advice in his address to the Hawaiian Sugar Planters Association on December 21, 1958 when he said:

Many tend to overlook the fact that our large consuming population of the Northeast is dependent entirely upon offshore supplies. Year after year supplies for that area have been down to rockbottom at the year end. Many of the proposals for obtaining materially higher prices through tighter controls would, if adopted, result in a severe shortage of sugar in the northeastern States. I submit to you the question of whether the Sugar Act would long remain on the statute books if the northeast were to run out of sugar.

And they want to make it permanent?

Unless more consideration is shown for the consumers, and the candy manufacturers, the Sugar Act will pay the price of its own monopolistic appetite. It will have to be amended and moderated or risk the defeat that it deserves.

The kids do not vote but their parents do. And when they learn how the domestic sugar growers will be responsible for boosting the price of candy permanently, watch out.

#### MANAGEMENT OF THE NATIONAL DEBT

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BECKER. Mr. Speaker, I am voting against any increase in national debt, for what I believe to be the best of reasons.

The last time the matter came up in the House in respect to increasing the national debt to meet the Nation's monetary obligations, I was implored to vote for this on the grounds that the "bills had to be paid." However, I have given this matter great thought and have to the conclusion that for 7 years I have consistently voted to cut appropriations and authorizations and at every turn have fought the big spenders in the House; however, without great success.

I therefore feel that those who have been advocating spending, and voting for the spending causing the great deficits each year, should carry the responsibility of increasing the national debt, but I want to point out here and now that last year when this matter arose the voting record in the House will show that many of the Democrat big spenders voted against increase in the national debt, as usual, playing both sides of political expediency.

Another reason I am voting against an increase in the national debt, and the most important one: It is my opinion that if we do not increase the national debt, regardless of what spending bills are passed by Congress that cause a deficit, the executive branch of the Government will just be unable to obligate that spending unless there is revenue to provide for it. By refusing to increase the national debt, the executive branch of Government will be prohibited from borrowing money against a deficit. Therefore, the executive branch would pay for the necessary obligations, would pay the bills of necessary expenditures such as our national defense, but for those nonessentials, these would be forced to wait until sufficient revenue was forthcoming.

The people of our country are rapidly awakening day by day to the dangerous effects of inflation. They find their dollar buying less and less. The people having to live on fixed incomes such as pensions, insurance, and annuities cannot exist much longer if their dollars keep shrinking.

Therefore, Mr. Speaker, I am certain that the best act I can perform today is to vote against the increase in the national debt as being one of the only ways I can help stop the budget-busters and the big spenders.

#### LABOR-MANAGEMENT REFORM LEGISLATION

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TELLER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. TELLER. Mr. Speaker, I have this day introduced a compromise labor-management reform bill H.R. 7811, known as the Labor-Management Reporting and Disclosure Act of 1959, for the consideration of our House Committee on Education and Labor, and I hope its provisions will serve as an aid in the desires of the Congress for the prompt enactment of a fair labor reform bill.

Mr. Speaker, this is an area of bitter controversy, where points of view are wide apart from one another, and beliefs and prejudices are firmly held. It is my hope that a spirit of adjustment and compromise will be brought to bear upon the general problem of labor-management reform, that prejudices will yield to a willingness to try to see the other fellow's point of view.

Anyone who embarks upon the objective of compromising contending viewpoints in the field of union-management relations often assumes a thankless task. I have no illusions that my bill H.R. 7811 will satisfy everybody, but some leaders of our American labor unions will have to sacrifice some of their firmly held beliefs and some management interests will have to yield some of their rigidly held points of view. I do, however, have a good measure of confidence that both management and unions will do so because I believe that the American people want an effective labor-management reform law, and both management and labor union leadership are aware of this fact.

H.R. 7811 is not a radically new approach, it is not designed to raise new controversies, but is rather an attempt to integrate the best features of a number of pending labor-management reform bills, and it draws substantially from the Kennedy-Ervin bill, both as reported by the Senate Labor and Public Welfare Committee and as passed by the Senate.

Senator KENNEDY deserves the Nation's gratitude for his valiant efforts toward working out an acceptable labor-management reform bill. Had he not laid the groundwork in his bill S. 505, my bill H.R. 7811 would have been impossible. While, however, my bill integrates a good deal of the Senate's contribution to this field, I have somewhat reduced the powers and functions of the Secretary of Labor because of my belief that the American people favor the diffusion of power rather than its concentration in any one person or office. I have also cut down to an extent what I believe to be the excessive recourse to the criminal laws, particularly in situations where it may be expected that when American people are told that they are legally required to do something, they will conform to the legal requirement. I have, therefore, given over to individual enforcement and to the courts much of what is left for criminal prosecution under vague language in other bills.

H.R. 7811 seeks to accomplish a program of labor reform without being repressive either to unions or to management. The American system of collective bargaining can succeed only if strong and stable unionism is allowed to

exist. For this purpose we need to encourage, certainly not to tie the hands of, responsible union leaders able and willing to carry on the process of collective bargaining, to abate the causes of strikes, to enforce the sanctity of collective-bargaining agreements, and to make of the union movement an effective partner with management in the American system of free enterprise which has helped to make us a beacon of world freedom.

H.R. 7811 omits the controversial amendments to the Taft-Hartley Act. It is exclusively a labor-management reform bill. I have heretofore proposed the establishment of a joint committee on labor and industrial relations, and I urge upon the Congress that it enact my proposed joint resolution, House Joint Resolution 182, for this purpose. In this way, the controversial Taft-Hartley amendments, which are unrelated to the problem of labor-management reform, will be considered separately in an atmosphere divorced from surcharged problems of reform.

H.R. 7811 contains a so-called bill of rights under which union members will be protected, but it does not paralyze the legitimate internal operation and management of labor unions.

The following is a summary explanation of some of the principal features of H.R. 7811:

H.R. 7811 contains seven titles:

Title I contains the usual definitions of terms used in the bill.

Title II summarizes and declares the rights of union members which are implemented and enforced in the bill.

Title III provides for reports to the Secretary of Labor by unions, union officers and employees, employers, and "middlemen" on their administrative practices and financial operations. These reports are to be public information. Extortionate picketing and bribery are also outlawed in title III.

Title IV provides for reports by national and international unions on trusteeships imposed by them over subordinate local unions and authorizes union members to sue in the Federal courts to require them to be administered in accordance with the union constitution and bylaws.

Title V requires periodic election of union officers by secret ballot or at a convention of delegates chosen by secret ballot, provides procedures through means of members' suits in the Federal courts, to safeguard members' voting rights in union elections, challenge improper elections and remove officers guilty of serious misconduct, and bars from union office or employment (other than in a purely clerical or custodial capacity) persons convicted of specified serious crimes or any violation of the bill.

Title VI provides for voluntary adoption of codes of ethical practices, similar to those adopted by the AFL-CIO, by national and international unions and industrywide and nationwide employer associations, establishes a tripartite advisory committee on ethical practices, and requires a report by the Secretary of Labor to the Congress within 3 years on the operation of the bill.

Title VII contains miscellaneous provisions dealing, among other things, with the prevention of the use of force or violence, or threats thereof, to restrain, coerce, or intimidate any union member for the purpose of interfering with or preventing him from exercising any rights to which he is entitled under the bill, the obligation of unions to furnish copies of collective bargaining agreements to employees and local unions having members who are affected by the provisions of such agreements, and the bonding of union officers and employees who handle union funds.

Aside from omitting the controversial Taft-Hartley Act amendments, the principal features of H.R. 7811 are as follows:

#### BILL OF RIGHTS

First. With respect to a bill of rights of union members, H.R. 7811 represents a compromise between the provisions of the Senate bill, S. 1555, as reported and as passed. It contains a separate title—title II—as does S. 1555 as passed, summarizing and declaring certain federally protected rights of union members. It does not, however, as does S. 1555 as passed, simply declare general rights which would take years of litigation to define. Instead, as in S. 1555 as reported, the rights that would be federally protected are limited in title II of the bill to those for which specific implementation and remedies are provided in other titles. The rights which every member of every union engaged in industries affecting commerce would be specifically guaranteed under the bill are, first, the right to support and vote for candidates of his choice in union election, and to be a candidate for and hold union office, as provided in title V—elections; second, the right to have access to adequate and accurate information on the conduct of his union's business and its financial operations, as provided in title III—reporting and disclosure; third, the right to have his union's funds and property effectively safeguarded, and specifically against embezzlement, theft, or other unlawful and willful conversion, as provided in title III—reporting and disclosure; fourth, the right to have the affairs of his union administered in accordance with codes of ethical practices, as set forth in title VI—codes of ethical practices; and fifth, the right to have his union placed and maintained under trusteeship only for such purposes and such periods of time as are prescribed in title IV—trusteeships.

#### FIDUCIARY RESPONSIBILITIES OF UNION OFFICERS

Second. In line with the basic principle embodied in the bill that any federally protected rights should be specifically defined in relation to the specific remedies which are provided for their implementation, and that the abuses to be eliminated and prevented should likewise be specifically defined, the bill omits broad assertion of fiduciary responsibility on the part of union officers and employees such as is included in S. 1555 as passed. Specific provisions in the bill seek to prevent abuses of trust by union officers or employees by requiring them to report any conflict of interest trans-

action in which they may engage and prescribing penalties for failure to report or for false reporting of any such transaction. In addition, embezzlement of union funds or property is made a Federal crime, and individual union members are given a right to bring suit in the Federal courts when any union officer or employee has been convicted of embezzling union funds or property to recover such embezzled funds and property. Such suits could only be brought, however, when the union's executive board or officers have failed or refused to do so within 12 months after having been requested to do so. Unions would also be prohibited from paying the fine of any union officer or employee who is convicted of embezzling union funds or property.

Third. Employer reporting: The employer reporting requirements have been tightened and strengthened as compared with those contained in other pending House bills and in S. 1555 as reported and as passed. Since unions that are required to report under the bill must report all their financial transactions under the bill, employers should at the very least be required to report any expenditures they make, not only for direct antiunion activity, but also for all employee relations activities that affect the right of their employees to organize and bargain collectively through representatives of their own choosing.

Fourth. Union reports: As reported and passed, S. 1555 leaves it discretionary with the Secretary of Labor whether to exempt from the union reporting requirements small unions having fewer than 200 members and gross annual receipts of less than \$20,000. Under H.R. 7811 this provision is converted into a mandatory exemption for these small unions. The Secretary may revoke the exemption for a particular small union under the bill, but only if he finds, after a hearing, that the exemption of the particular union is permitting substantial improper practices to exist and thus interferes with or is not compatible with the objectives of the bill.

Fifth. Union elections: The substantive provisions with respect to the conduct of union elections which are contained in H.R. 7811 are substantially the same as those included in S. 1555 as reported and as passed. The procedure for challenging a union election has, however, been changed. Instead of authorizing members of a labor organization to file written complaints of violations of the election provisions with the Secretary of Labor and then authorizing the Secretary of Labor to bring suits in the Federal courts to have the challenged election declared invalid, the bill provides that a union member who is aggrieved by any election violation and who has exhausted reasonable remedies available to him within the union may sue directly in the Federal courts. The procedure in any such court action upon the filing of such a suit would be the same as under S. 1555 as reported and as passed.

Sixth. Trusteeships: The trusteeship provisions contained in H.R. 7811 differ in the following respects from those contained in S. 1555 as reported and as



passed. The substantive provisions dealing with trusteeships are limited to reporting requirements and a declaration of the purposes for which trusteeships may be imposed. Among these purposes is the enforcing of the union constitution and bylaws, as well as the correction of corruptive or financial malpractice, assuring the performance of collective bargaining agreements, restoring democratic procedures, and so forth. As in the case of elections, there has been substituted for the procedure of a written complaint to the Secretary of Labor of a violation of the trusteeship requirements and a suit by the Secretary of Labor in the Federal courts, provisions that would permit any union in trusteeship or any member of such a union to bring suit in the Federal courts directly to restrain administration of the trusteeship that is not in conformity with the union's constitution and bylaws. Here again, as in the case of the provisions dealing with elections, such suit could only be brought by a member who is aggrieved by any such violation of the trusteeship provisions and who has exhausted the reasonable limitations available to him within the union.

#### EX-CONVICTS BARRED FROM UNION OFFICE

Seventh. H.R. 7811, as passed, contains a provision with respect to the barring of ex-convicts from holding union office which is a compromise between the provision on this subject that was included in S. 1555, as reported and as passed. Persons convicted of certain specified major crimes—the same as those listed in S. 1555, except that "rape," "assault with intent to kill," and "assault with intent to inflict grievous bodily injury" have been omitted because they deal with offenses that may or may not, depending on the facts, be a proper basis for disqualification from holding union office or employment—would be barred from holding union office or employment within 5 years after being convicted of any such crime or after having served any part of a prison term resulting from such a conviction. To meet possible constitutional requirements, the disqualification would apply only in cases where the conviction occurs after enactment of the bill; it would not apply, as is the case under S. 1555, as reported, to persons convicted prior to the bill's enactment, also, as under S. 1555, as reported, the disqualification would be lifted, if within the 5-year period the person's citizenship rights having been revoked as a result of such conviction are restored, or the Secretary of Labor, after a hearing, determines that the person's services as a union officer or employee would not be contrary to the purposes of the bill. After the expiration of the 5-year period, of course, the disqualification would automatically be lifted.

Eighth. Remedies: Title II of H.R. 7811 provides that, notwithstanding any other Federal or State law, the remedies provided for violations of rights prescribed by the bill shall be exclusive. The bill does not, however, limit or impair any rights or remedies a union member may have within his union under its constitution and bylaws, nor does it limit or

impair the union's authority or responsibility for the conduct of its internal affairs, except as specifically provided by the bill.

These provisions take the place of section 602 of S. 1555 as passed which would subject unions and employers, not only to the requirements of the bill, but also to all other Federal and State laws on the same subjects, no matter how serious the conflict between these other Federal and State laws and the provisions of the bill. They are designed to prevent the imposition of many onerous and uncertain Federal liabilities and obligations on unions in the areas dealt with in the bill in addition to those to which they are already subject under the laws and court decisions of the 49 States. They are based on the premise that unions and employers engaged in industries which affect interstate commerce should be subject, with respect to the matters covered by the bill, to uniform Federal standards and regulations. This is necessary if unions and employers in different States throughout the United States are to be treated equally and fairly.

Of course, the areas preempted for Federal regulation under the bill are limited to the specific subjects for which remedies are provided in the bill. Thus, with respect to reporting any disclosure, section 304(c) provides that no person shall be required by any State law to furnish to any State officer or agency any information included in a report required to be filed with the Secretary of Labor under the bill, if such person furnishes such State officer or agency a copy of such report, or of the portion of the report containing the information in question. With respect to union trusteeships, once a Federal court assumes jurisdiction in an action brought by a member under title IV, its jurisdiction would be exclusive under section 405. Under section 603, the duties imposed on unions, and the remedies provided for members with respect to voting in union elections and the conduct of elections for the election and removal of union officers shall be exclusive. No union subject to the election provisions of the bill may be required by any law, State or Federal, to conduct union elections with greater frequency or in a different form or manner than is required by its own constitution and bylaws, except as otherwise provided in the bill.

#### H.R. 3

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the Record.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, I oppose H.R. 3, a bill which is supposed to make clear the relationship between the Federal Government and States and their laws by providing that unless there be a clear conflict between Federal and State statutes, or unless the Federal statute expressly so states, there shall be no preemption of the legislative field

solely by reason of enactment of the Federal statute.

In a nutshell, this bill seeks to return the United States to the days of the Articles of Confederation when we had a weak, ineffectual Federal Government entirely incapable of meeting domestic problems affecting the States and their people, protecting the people of the several States from foreign enemies or acting to prevent Balkanization of the States, tariff walls, and sundry restraints on interstate commerce. So weak was the Government of that day that the several States, recognizing the need, met and framed the present Constitution of the United States. That the Founding Fathers knew what they did, and that they worked carefully and wisely through the many drafts of the Constitution to produce a document setting forth principles of sound government which will last through the ages, can be seen from the fact that the country in almost 200 years has adopted very few amendments, one of which has been repealed as unwise and unworkable.

H.R. 3 virtually does away with the power of the Federal Government to be supreme in the fields of international relations, interstate and foreign commerce, civil rights, protection of citizens, and the many other fields where the Government properly and constitutionally acts as the Government of one United States. It would go far to make the Federal Government the weak clearinghouse or representative of a series of semiautonomous Balkan States.

H.R. 3 is a vicious measure with evil results going far beyond anything contemplated by friend or foe in the discussion of it.

It will require relitigation of almost every question which has risen in the past with regard to State-Federal action, especially questions involving interstate commerce, Federal taxing power, and national defense.

In one fell stroke the Congress will modify, or apparently modify, every statute and court decision which the Supreme Court and the Courts of the United States have made in the history of the country and will open a Pandora's box of litigation with results undreamed of. Employers will undergo a long period of confusion, difficulty, and litigation before they are able to finally clarify, if ever, their relations with their employees under the National Labor Relations Act and the Taft-Hartley Act. Federal civil rights legislation will be clearly open to attack, litigation and relitigation. Federal legislation in the fields of narcotics, land condemnation, water rights, navigation on rivers, lakes and oceans, military procurement, wages and hours, railroads, trucks and airlines, radio and television, elections and election practices, Federal lands, National Parks, forests and wildlife refuges, regulations on the taking of migratory waterfowl under the Migratory Bird Treaty, and other treaties, as well as Federal statutes outlawing and making uniform the treatment of subversion and subversives, will all be subject to litigation.

If it is the wish of Congress to enact legislation to readjust responsibilities of

the Federal Government and States in any field, the problem should be attacked with a surgical scalpel to be sure that the effect of the action is what Congress intends.

To attack the whole system of Federal statutory and case law with so wide and sweeping an attack and alteration is unwise in the extreme and will lead to results which will frighten not only those wise enough to oppose this legislation but ultimately also its backers both in Congress and out.

Every American has a real stake in the fight against this bill. Those who seek a stable and continuing economy free from blurring, alteration, relitigation, and obscuring of all of the multitude of rights, responsibilities, and obligations which have been established in our society should oppose this measure with all their strength. H.R. 3 is bad and should be summarily defeated.

#### PRESIDENT EISENHOWER COMES OUT IN FAVOR OF THE PRINCIPLE OF THE CLARK-REUSS BILL

Mr. GALLAGHER. 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 New Jersey?

There was no objection.

Mr. REUSS. Mr. Speaker, the Nation's eyes are on the deadlocked steel negotiations. Knowing what a pace-setter steel has been for price increases in recent years, the public is apprehensive about further increases.

H.R. 6263—the Clark-Reuss bill—seeks, among other things, to bring to bear an informed public opinion upon administered price increases, and associated wage increases. The bill was favorably reported by the House Committee on Government Operations on June 12, and is now awaiting a rule.

Yesterday a perceptive reporter asked the President at his press conference the \$64 question on the Government's role in this vital private-public matter of Big Steel:

Question. RAYMOND P. BRANDT (St. Louis Post Dispatch): Mr. President, both the steel management and the steel unions are issuing self-serving statistics which are in great conflict. Is there any way that Government can bring out impartial figures on profits and wages and productivity so the people can understand the issue and make their own decisions?

The PRESIDENT. Well, I think you have asked about the most intelligent question on this particular question, particular matter; and I haven't thought about it in this particular way, to put these statistics together, you might say in columns right down the line and seeing what the judgment is.

I don't know whether this would be helpful or not, but I'll take your suggestion, and I'll have it studied. It's one that I just wouldn't want to shoot too rapidly on for the simple reason that, that they are tough questions, they are people that are bargaining right now, and it's not my business to try to influence them.

But I do say, this is a matter that affects the public, and I do have a public duty to do

what I can, as long as I don't get into the business of the bargaining itself.

Question (no name). Mr. President.

The PRESIDENT (continuing). Therefore, if I can do anything, why, you can bet I will.

Reporting on the press conference in this morning's Washington Post and Times Herald, staff reporter Bernard D. Nossiter correctly points out that apparently "Ike's" right hand knoweth not what his left hand doeth:

The President also praised as most intelligent a suggestion that the Government resolve conflicting union and industry statistics by publishing impartial data on profits, wages, and productivity.

Bills embodying the impartial-data idea have been proposed by Senator JOSEPH C. O'MAHONEY (Democrat, Wyoming) and Representative HENRY REUSS (Democrat, Wisconsin) with Senator JOSEPH CLARK (Democrat, Pennsylvania).

The administration strongly opposes both measures.

An editorial of June 16 in the Washington Post and Times Herald, entitled "The Wage-Price Game," gives some good reasons why the public is entitled to help in trying to understand the conflicting claims of labor and management in the steel dispute:

#### THE WAGE-PRICE GAME

We commend to the steel wage contract negotiators a recent item from Business Week, entitled "You, Too, Can Play With Numbers, or Statistician's Art of Numerically Proving a Point Without Actually Falsifying the Basic Data." The McGraw-Hill economists got into this game in an effort to unscramble the conflicting claims of various politicians and economists about the rate of growth of the American economy.

They worked out a little table covering the years 1946 to 1958, set up in the fashion of a multiplication chart or a railroad timetable, from which one may quickly ascertain the average annual growth rate between any 2 years within this span in terms of constant 1958 dollars. With this you can make a liar out of almost anybody (although even with the table at hand, it is impossible to evade the conclusion that in the past 10 years the economy has been sharply and almost steadily slowing down).

Messrs. Blough and McDonald (of United States Steel and the Steelworkers Union, respectively) might speed up the contract talks by reducing their statistical flights to an orderly chart. Then, instead of one talking about steel profits and wages in terms of steel output and another of profits and wages in terms of gross income, both could talk about a trend line (or lines) reflecting all factors. Each side would then be reduced to saying simply, "things look good, and we want ours—as much as we can get."

With this basic identity of interest established, it might then be easier for government and the public to assert the broader interest in a noninflationary settlement. And that, of course, is exactly why the companies and unions will go on playing the statistical game.

In an article in the May 28 Reporter magazine, I put forth my conception of what the President's duties ought to be with respect to administered prices:

#### FACING UP TO THE FACTS

(By Representative HENRY S. REUSS)

At his May 5 press conference President Eisenhower, asked about possible price increases by Big Steel, replied:

"I say this, and I say it and emphasize it: Here is something in which not only Government but public, the whole public, 175 mil-

lion people are involved and their interests are going to be preserved or damaged or possibly even advanced by decisions reached by the employees and employers in this field.

"It is a basic industry and whatever is done affects all the rest of industry, and I can say only this: that we must look to them for some good sense and some wisdom in, I mean real business-labor statesmanship or in the long run the United States cannot stand still and do nothing."

The President then went on to "explain" that this year's first-quarter profits for United States Steel were well below last year's. He seemed to accept United States Steel's statement of first-quarter earnings, despite what the Washington Post and Times Herald reported as the widespread judgment in investment circles "that the big steel company has understated its earnings substantially in preparation for current wage negotiations."

Earlier, in April, the administration had hurriedly published figures showing that in recent years steel wage increases had sharply outpaced productivity—only to have the Bureau of Labor Statistics retract the productivity estimate as in error a few days later.

Of course the President is right that the whole public is affected by collective bargaining in the steel industry. But what the public needs is some institutional arrangement whereby it can get the full facts on wages, prices, productivity, and profits for steel and related industries. Without the full facts—or worse, with half facts about profits and productivity—the public is like the cub war correspondent whose first cable home read "Great battle in progress. Utter confusion. Can learn nothing."

In terms of the goals of the Employment Act of 1946—maximum employment, production, and purchasing power—what can be said of our economic record in recent years? An unemployment total much beyond 3 percent of the work force is generally agreed to be intolerable, but the figure for more than a year has never gone much below 6 percent.

Our gross national product, if we are to improve our standard of living here at home and accept our responsibilities abroad, must increase at the rate of 4 or 5 percent per year. But our actual annual growth rate since 1953 is only 2½ percent, contrasted with Soviet Russia's 8 to 10 percent and Western Europe's 5 percent. As for our record in maintaining the purchasing power of the dollar, both the wholesale price index and the consumer price index have risen more than 8 percent since 1953, despite the recessions of 1954 and 1957-58.

The administration's basic economic policy has been the classic one of tight money. With the exception of the recession months of 1957-58, the Federal Reserve System has been choking off demand by restricting the money supply (currency and demand deposits). From the end of the first quarter of 1953, to the same point in 1959, the money supply has grown by only 11 percent, while gross national product has grown by 27 percent. Asking a money supply adequate for 1953's \$365 billion gross national product to do the job for today's \$465 billion gross national product is sending a boy to do a man's job.

But most annoying of all—the policy of checking demand and production in order to stop inflation has not worked. Particularly in those concentrated industries like steel and automobiles, where a few producers control the market, prices and wages have continued to advance even in the face of insufficient overall demand. Thus the steel industry announced a \$4.50-a-ton price increase last August when it was operating at only 60 percent of capacity.

These "administered price" increases—set by the not very competitive leaders in the giant industries—have been the real pace



setters. According to the Kefauver subcommittee, 85 percent of the 8 percent increase in the wholesale price index from 1953 to October 1958, was caused by steel and steel-using industries, such as automobiles and machinery. Without steel's contribution the rise in the wholesale price index would have been less than 1 percent rather than 8 percent.

The phenomenon of administered prices has been stressed in recent years by economists like John Kenneth Galbraith of Harvard, Dr. Gerhard Colm of the National Planning Association, and Gardiner Means, whose thriving soybean-grass business refutes the conventional notion that an economist is a fellow who has never met a payroll.

Meanwhile the administration, wedded to the idea that monetary and fiscal policy is the proper and sole remedy for inflation of any type, ignored the problem of administered prices as long as it could. The President's Economic Report last January, for example, failed to mention it. But recently such administration figures as Council of Economic Advisers Chairman Raymond Saulnier, Federal Reserve Board economic adviser Woodlief Thomas, and the Federal Reserve Board's research director, Ralph Young, have all recognized that such prices do exist, and that general monetary and fiscal controls cannot affect them much.

The administration's restrictive monetary policy would be the appropriate cure for a demand inflation—the situation where too much money chases too few goods. But it cannot come to grips with an administered price inflation. And vague Presidential exhortations, unfortified by facts, that labor and management should forgo unstatesmanlike wage and price increases have had no visible effect. If abstract pleas to be reasonable won't work, what will?

A bill cosponsored by Senator JOSEPH S. CLARK, of Pennsylvania, and myself would update the Employment Act of 1946 to try to meet the central problem of 1959: how to avoid inflation, whether "demand" or "administered," and still have maximum employment and production. The bill would make sustained economic growth an explicit object of national policy, and would direct the President to fix quantitative goals for the Nation's employment, production, and purchasing power. It would also make "reasonable price stability"—the opposite of inflation—an explicit goal, and direct the President "to bring to bear an informed public opinion upon wage and price increases which in his judgment appear to threaten national economic stability." This the President would do by holding hearings on price increases, and associated wage increases, in the concentrated, pace-setting industries, and making the facts available to the public.

A powerful array of forces has lined up against the proposal. The administration is against it because "it would tend to substitute Government inquiry into the reasons for, and the justifiability of, any price increase for our traditional ideals of prices set in response to free market forces." The National Association of Manufacturers felt the bill would "generally retard technological improvements and the forward progress of our economy." The United States Chamber of Commerce opposed it as signaling "the end of consumer sovereignty and freedom." To United States Steel Chairman Roger M. Blough, it would lead to "gradual destruction of the greatest industrial machine the world has ever known." The AFL-CIO opposed the bill as serving "no useful purpose." And David J. McDonald, president of the United Steelworkers, called it "a radical departure from the national policy of free collective bargaining," adding that Senator KEFAUVER, who has been conducting hearings on steel prices and wages, "should keep his nose out of my business."

The House Government Operations Subcommittee, which early this month reported our bill favorably, evidently felt that the contentions of big labor and big business tended to cancel each other, and put more stock in the testimony of economists like Gerhard Colm, who said:

"Let me first say that the threat of an imminent runaway inflation is not why I favor this proposal. As a matter of fact, I believe that some of the fears which have been expressed by people inside and outside the Government are grossly exaggerated. In the long-term perspective the recent price increases in the United States have been relatively mild, if we exclude the periods of war and the aftermath of war. I am concerned, however, with the persistency of small price rises, particularly in periods of slack demand. If the Government officially adopts a policy of looking in the other direction whenever prices rise, business, labor, consumers, and investors may anticipate a continuing price rise with the consequence that a small price rise would soon become an inflation spiral.

"Some may say that since the situation is not yet alarming, we might as well wait until the problem becomes really urgent. My answer is that at this point we may be able to achieve reasonable price stability with mild measures and avoid the necessity of price and wage controls. If the public gets the impression that the Government is not really serious about keeping prices in line, then the speculative anticipation of further price rises may magnify the problem; in the end this might lead to the necessity of price and wage controls. Thus, it may well be that a proposal such as the one before this committee may be regarded as a measure avoiding rather than leading to price and wage controls."

So the issue is joined. The administration sees a serious demand inflation, to be met by an ever more restrictive tight-money policy.

Some Members of Congress disagree. Noting that the consumer price index has been stable for a year they ask that excessive monetary restraint cease until the economy is moving forward at an adequate growth rate, and until unemployment is substantially eased. It is this skepticism about the old-fashioned economic theories of the administration that has given impetus to the Kefauver-O'Mahoney hearings and the proposed amendment to the Employment Act already mentioned.

It could be that the goals of adequate growth and of price stability are entirely consistent. But one thing is sure. A new approach to the problem of stability and growth is painfully emerging from the discussions, arguments, and self-questioning now going on in Congress, the academic community, among commentators on public affairs, and even among business and union leaders. We still know far less than we should about the proper management of our economy; and in some fields we don't even know what we know. Nevertheless, this new state of mind may already have had its effect on the big steel negotiations now taking place by putting a damper on opinionated aggressiveness. If a price increase is avoided, it may mark the beginning of a new and sounder national economic policy.

The report of the House Committee on Government Operations on H.R. 6263, filed June 12, contains an excellent "Summary of Provisions" and "General Statement" explanatory of the bill:

#### SUMMARY OF PROVISIONS

H.R. 6263 proposes to amend the Employment Act of 1946 in two major respects:

1. By declaring it to be the sense of Congress that the President and the Federal Government in carrying out the purposes of the

Employment Act should give due effect to certain provisions of the act which are referred to and in some cases are more precisely delineated:

(a) The declaration of policy in the act which sets forth the goals of maximum employment, production, and purchasing power. The bill makes explicit that the term "maximum production" includes the concept of sustained growth and that the term "maximum purchasing power" includes the concept of reasonable price stability.

(b) The provisions of section 3(a) of the act requiring the President to include in each year's Economic Report the levels of employment, production, and purchasing power which he deems maximum. Here the bill requires these levels to be stated in quantitative terms. The bill also requires the President to include in the report current and foreseeable trends.

(c) The provision of the act giving the President discretion to transmit periodically supplementary or revised recommendations during the year.

(d) The provisions of the act requiring a review of the economic program of the Federal Government and economic conditions affecting employment, production, and purchasing power and the provisions requiring a program and recommendations. Here the bill calls upon the President to include monetary and credit policies in the review, the program, and the recommendations to the same extent as other policies. The bill also provides that if the Federal Reserve Board disagrees with these monetary and credit policies the President shall include the Board's views and its reasons in his report.

2. The bill requires the President, directly or through any Federal agency which he designates, to hold public hearings concerning price increases, impending or in effect, which in his judgment appear to threaten national economic stability. He shall also hold hearings on wage increases, impending or in effect, and the relationship of the price increases to these wage increases, which the firm involved declares to be a cause of the price increases referred to above. The President is to issue factual summaries of the hearings, and where he deems it advisable, he may issue advisory statements.

#### GENERAL STATEMENT

I. The bill expresses the sense of Congress that the President and the Federal Government, in executing the Employment Act of 1946, should give due effect to the provisions of the act listed and amplified in the bill. In carrying out the policies of the act, the President and his Council of Economic Advisers have not been giving sufficient attention or emphasis to all of its provisions. The Employment Act was designed to operate as a unified whole and in order for it to be most effective, particularly in times of economic stress, all of its provisions should be utilized. The President and the Council have practiced selective utilization of the provisions of the act. This legislation will elucidate the legislative purpose in imposing on the President the duties enumerated in the act and will serve to direct the full utilization of its provisions.

Thus, "due effect" is a direction to the President to proceed accordingly. No greater implication than this should be placed on the term and no substantial change is intended in the Employment Act by the use of the term.

II. The goals in the Employment Act of maximum employment, production, and purchasing power are amplified by the bill to make explicit what the committee believes is already implicit therein. These are the concepts of sustained growth and of reasonable price stability. This is desirable so that the act's design and intentions will be perfectly clear.

The term, maximum production, is thus clarified to include sustained growth. In

a dynamic economy such as ours with a constantly increasing population and an ever prevalent desire to raise the standards of well-being of our people, sustained growth should always be our national policy. This being so, the Federal Government, as required by the act, should at all times take steps to foster and encourage such economic growth. It could be argued that maximum production means only the highest utilization of existing facilities. The concept of sustained growth, however, suggests no such ceiling. It does suggest, on the other hand, that productive facilities as well as their utilization be constantly expanded as needed. Sustained growth also suggests the encouragement of a rational balance in productive items so that basic needs, both physical and social, will always be met.

The concept of reasonable price stability is incorporated in the term, maximum purchasing power. The President and the Council of Economic Advisers requested that it be made explicit. We agree that this is desirable so that there will be no question that the Employment Act comprehends an unrelenting effort to prevent inflation. We recognize that inflation may cause a disastrous erosion of purchasing power, thereby damaging our economy as a whole.

III. The committee believes that it is both possible and essential for a clear understanding of economic processes and proposals that the President include in his economic report in quantitative terms the levels of employment, production, and purchasing power which the President deems maximum, and the current and foreseeable trends in those levels. This is not asking for quantitative economic forecasts or predictions. The difficulties in making such forecasts or predictions are well recognized. What is sought here is a quantitative statement of the levels which the President and his Council of Economic Advisers believe should be reached. The problems that critics of this approach have raised are untenable. The statement of maximum levels can be made relatively precise. So, also, can the statement as to current and foreseeable trends.

IV. The bill requires the President to give due effect to the provision of the act authorizing him to submit supplementary reports to the Congress including such supplementary or revised recommendations as he may deem necessary and desirable. The purpose here is to insure that in the event of a shift in economic currents, such as we recently experienced, the President will not wait for the preparation of his annual Economic Report in order to make recommendations to the Congress to meet any urgent problems which may arise. In recent years this authority has not been used although there have been economic situations in which such use would have been consistent with the mandate of the act.

V. Changes in the supply of money and the expansion or contraction of credit have obvious important consequences for the national economy. The policies pursued by the Government and its agencies in these fields likewise have a potent effect. The Employment Act does not specifically mention monetary and credit policies, as such, as factors to be considered by the President in the preparation of his Economic Report and recommendations, but it is highly improbable that a sound program could be formulated without this consideration. From time to time the President's Economic Report has included monetary and credit recommendations. In recent years, however, this has not been done. The bill, therefore, calls for monetary and credit policies to be included in the economic program contained in his report to the same extent as all other policies affecting employment; production and purchasing power are so included. Thus, this necessary and constituent part of any presentation of a national economic program by the

President will be included so that the program will be both realistic and complete.

Congress has given to the Federal Reserve Board the power to tighten or expand credit as in its judgment economic needs require. This power has at times been exercised at seeming cross purposes with other economic policies of the Government. The committee, however, expresses no opinion here on the merit of any past conflict in policy between the Federal Reserve Board and any other agency of the Federal Government. Nevertheless, that any divergence in policy that would have an important effect on the economy should be openly expressed and the reasons therefor presented to the Congress. Thus, the bill provides that if there is a disagreement on the part of the Federal Reserve Board with the monetary and credit policies to be included in the President's Economic Report, as above required, the President shall include the Board's views and reasons in the report. This, of course, means that the President will advise the Board of his views concerning monetary and credit policies in advance of the report so that the Board's views can be obtained.

The committee states emphatically that by this provision it does not attempt to change the status of the Federal Reserve Board. Neither does it intend, in any way, to enlarge or restrict the Board's jurisdiction.

VI. The committee believes that appropriate steps should be taken by the Federal Government to discourage price increases which would affect national economic stability. Price increases in key products industries often exert upward pressure on costs and prices in other sectors of the economy, thus contributing to the inflationary process. This is especially true in those concentrated industries where production is in the hands of a relatively few giant corporations which can singly, or in concert, act to raise prices regardless of market conditions or demand for the product. The bill will give to the President, directly or through any Federal agency he designates, authority to hold hearings concerning price increases in such concentrated industries, prospective or actual, which in his judgment appear to threaten national economic stability. He may also hold hearings on wage increases, prospective or actual, including the relationship of the price increases thereto, which the firm involved declares to be a cause of the price increases specified above. The President may issue factual summaries of such hearings, and, where he deems it advisable, issue advisory statements.

The committee believes this to be a practical approach to a serious problem which gives the President something more than a precatory power. It will also assist in mobilizing public opinion against unjustified price increases and thereby, it is hoped, help prevent or reduce them. The committee, even though it abhors the specter of inflation, feels that price controls should be exercised only as a last resort. It believes that hearings such as contemplated here would not lead to price controls or wage controls, but would instead benefit the public by making available the facts concerning the price and wage increases and the President's statements, if any, concerning them.

The procedure proposed has been criticized because no subpoena power is provided to require the attendance of persons and the production of pertinent records for scrutiny. The committee believes the hearings can be effective without this power and although there have been such instances in the past, only rarely would a party to be called refuse to comply and bring the necessary records. If, however, such refusal becomes general, Congress could reconsider the question of granting subpoena power for such hearings.

Mr. Speaker, I know that all Members are interested in the question of how we

can have full employment without inflation. H.R. 6263 is an attempt to come to grips with the question.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. McSWEN for Friday, June 19, and Monday June 22, on account of official business with the Committee on Agriculture at Dallas, Tex.

#### 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. DIGGS for 1 hour, today, and to revise and extend his remarks and include extraneous matter.

Mr. HOLIFIELD, for 15 minutes, today, and to revise and extend his remarks and include extraneous matter and tables.

Mr. BAILEY, for 40 minutes, on Monday next, June 22, 1959.

Mrs. ROGERS of Massachusetts (at the request of Mr. SMITH of California), for 10 minutes, on June 19.

Mr. McSWEN (at the request of Mr. GALLAGHER) for 30 minutes on June 30.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRADEMANS.

(At the request of Mr. SMITH of California, and to include extraneous matter, the following:)

Mr. JOHANSEN in three instances.

The following Members (at the request of Mr. GALLAGHER) and to include extraneous matter:

Mr. CELLER.

Mr. DINGELL in four instances.

Mr. DULSKI.

#### ENROLLED BILL SIGNED

Mr. BURLISON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2256. An act to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 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.

#### BILL PRESENTED TO THE PRESIDENT

Mr. BURLISON, from the Committee on House Administration, reported that



that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2256. An act to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

#### ADJOURNMENT

Mr. GALLAGHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Friday, June 19, 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:

1105. A communication from the President of the United States, transmitting amendments to the proposed appropriations previously transmitted for the fiscal year 1960 for the Atomic Energy Commission, involving a net increase of \$83,300,000 in the amounts now before the Congress for its consideration (H. Doc. No. 179); to the Committee on Appropriations and ordered to be printed.

1106. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 204 of the Career Compensation Act of 1949 with respect to the payment of flight pay"; to the Committee on Armed Services.

1107. A letter from the Acting Secretary of State, transmitting a report entitled "Rio Grande International Storage Dams Project—Report on Proposed Diablo Dam and Reservoir" prepared by the U.S. Section of the International Boundary and Water Commission, United States and Mexico, dated September 1958; to the Committee on Foreign Affairs.

1108. A letter from the Secretary of the Interior, relative to the construction and operation of saline water demonstration plants, pursuant to Public Law 85-883; to the Committee on Interior and Insular Affairs.

1109. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to establish revolving-type funds in the Treasury for the Southeastern Power Administration and the Southwestern Power Administration, and for other purposes"; to the Committee on Interior and Insular Affairs.

1110. A letter from the Under Secretary of the Interior, transmitting a draft of a proposed legislation entitled "A bill to amend the Bonneville Project Act, as amended"; to the Committee on Public Works.

1111. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 14, 1958, submitting a report, together with accompanying papers and illustrations, on a survey of Cedar River, Wash., authorized by the Flood Control Act approved June 22, 1936; to the Committee on Public Works.

1112. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Rural Electrification Administration, Department of Agriculture, for the fiscal year ended June 30, 1958; to the Committee on Government Operations.

#### 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. DURHAM: Committee on Armed Services. H.R. 6500. A bill to amend Public Law 85-818; without amendment (Rept. No. 561). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on status of missile and space programs. (Rept. No. 562). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 563. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred to as follows:

By Mr. BUCKLEY:

H.R. 7808. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. METCALF:

H.R. 7809. A bill to amend the provisions of law authorizing Federal assistance for construction of community hospitals which will serve Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 7810. A bill to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951; to the Committee on Post Office and Civil Service.

By Mr. TELLER:

H.R. 7811. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Education and Labor.

By Mr. BLATNIK:

H.R. 7812. A bill to amend the provisions of law authorizing Federal assistance for construction of community hospitals which will serve Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. IRWIN:

H.R. 7813. A bill to provide for the vesting of primary responsibility for the protection of the public health and safety from radiation hazards in the Public Health Service of the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JUDD:

H.R. 7814. A bill to amend the provisions of law authorizing Federal assistance for construction of community hospitals which will serve Indians; to the Committee on Interstate and Foreign Commerce.

By Mr. MORRIS of New Mexico:

H.R. 7815. A bill to amend the Civil Service Retirement Act to credit certain military service for purposes of disability retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Missouri:

H.R. 7816. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie,

Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. DAVIS of Tennessee:

H.R. 7817. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. EDMONDSON:

H.R. 7818. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. FALLON:

H.R. 7819. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. JOHNSON of California:

H.R. 7820. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. KLUCZYNSKI:

H.R. 7821. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. SMITH of Mississippi:

H.R. 7822. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. THOMPSON of Louisiana:

H.R. 7823. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. FLYNN (by request):

H.R. 7824. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHNSON of Wisconsin (by request):

H.R. 7825. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER (by request):

H.R. 7826. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. REUSS (by request):

H.R. 7827. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. ZABLOCKI (by request):

H.R. 7828. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mr. HALPERN:

H.R. 7829. A bill to authorize the construction of a Federal building in Queens County, Long Island, N.Y.; to the Committee on Public Works.

By Mr. MACDONALD:

H.R. 7830. A bill to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 7831. 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. ELLIOTT:

H.R. 7832. A bill to provide for the construction, alteration, and acquisition of pub-

the buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. LINDSAY (by request):

H.R. 7833. A bill to provide civil remedies to persons damaged by unfair commercial activities in or affecting commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. O'KONSKI:

H.R. 7834. A bill to amend the act providing aid for the States in wildlife restoration projects with respect to the apportionment of such aid; to the Committee on Merchant Marine and Fisheries.

By Mrs. BLITCH:

H.R. 7835. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. BURKE of Kentucky:

H.R. 7836. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. CLARK:

H.R. 7837. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. COOK:

H.R. 7838. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. GRAY:

H.R. 7839. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. HARGIS:

H.R. 7840. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. HULL:

H.R. 7841. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. JONES of Alabama:

H.R. 7842. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. McFALL:

H.R. 7843. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mrs. PFOST:

H.R. 7844. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. WRIGHT:

H.R. 7845. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. YOUNG:

H.R. 7846. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

By Mr. CELLER:

H.R. 7847. A bill to make the uniform law relating to the record on review of agency orders (Public Law 85-791) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 7848. A bill to repeal price support subsidies and direct the sale of Commodity Credit Corporation inventory; to the Committee on Agriculture.

By Mr. TOLLEFSON:

H.R. 7849. A bill to strengthen and improve State and local programs to combat and control juvenile delinquency; to the Committee on Education and Labor.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOHUE:

H.R. 7850. A bill for the relief of Dr. Charles C. Yu and his wife, Dr. Maria S. (Tantongco) Yu; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 7851. A bill for the relief of Louis C. Wheeler; to the Committee on the Judiciary.

By Mrs. GRANAHAH:

H.R. 7852. A bill for the relief of Michael George Petrakis; to the Committee on the Judiciary.

H.R. 7853. A bill for the relief of Osanna Biagini; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 7854. A bill to provide tax relief to the Annuity Fund of the Electrical Switchboard and Panelboard Manufacturing Industry of New York City and the contributors thereto; to the Committee on Ways and Means.

By Mr. POWELL:

H.R. 7855. A bill for the relief of Janina Maciejewska; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 7856. A bill for the relief of Chester Josiah Babcock; to the Committee on the Judiciary.

By Mr. SCHWENGLER:

H.R. 7857. A bill for the relief of Richard C. Long; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### A Proposal To Encourage Students' Purchases of Musical Instruments

#### EXTENSION OF REMARKS

OF

#### HON. JOHN BRADEMAs

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursdays, June 18, 1959

Mr. BRADEMAs. Mr. Speaker, this week I have introduced in the House of Representatives a bill, H.R. 7725, to remove the 10 percent excise tax on all musical instruments costing \$150 or less.

This legislation is aimed at encouraging the purchase of low-cost musical instruments by students for use in elementary, high school, and college music courses.

Mr. Speaker, today the study of music is accepted as a normal part of the educational curriculum of American boys and girls, and I feel we should do all we can to encourage young people with talents in the field of music to play musical instruments.

I should like to emphasize that although music instruction in one form or another is required in most elementary schools and is an elective course in most

high schools, students who purchase their own instruments are under the existing law obliged to pay the 10 percent excise tax.

Instruments purchased by schools, however, are exempt from this tax.

I should like also to point out that 93 percent of the sales of band and orchestra instruments in the United States are made to parents, students, private teachers, schools, and religious and character-building organizations. More than two-thirds of these sales are made by or for students. Furthermore, Mr. Speaker, more than 80 percent of all musical instruments manufactured are purchased for educational purposes. I am particularly aware of the problem facing young people interested in music because Elkhart, Ind., which is located in my district, is one of the great centers of the band instrument industry in America.

The figures I have cited were compiled in a recent survey by the National Association of Music Merchants, and I believe they indicate the need for a revision of the law to reduce the excise tax on musical instruments for the many young people who study music in our country.

Mr. Speaker, I hope very much that Congress will adopt my proposal.

### The Legacy of Lewis and Clark

#### EXTENSION OF REMARKS

OF

#### HON. FRANK CHURCH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, June 18, 1959

Mr. CHURCH. Mr. President, it was little more than a century and a half ago that the astute and farsighted President, Thomas Jefferson, dispatched Meriwether Lewis and William Clark to explore the great American wilderness beyond the Mississippi. The result of that tremendous and courageous undertaking gave the United States a solid claim to the Oregon section of the country.

On this same trek to the Pacific, Lewis and Clark were the first white men to cross and explore part of my own State of Idaho. Today, a new highway is being punched through the magnificently scenic Bitterroot Mountains along the same general route followed by the explorers as they entered Idaho; it has appropriately been named the Lewis and Clark Highway.