Lake and told his Latter-Day Saints, "This is the place."

These simple words marked the end of a thousand-mile trek across the Great Plains and the Rocky Mountains, as the Mormons moved away from the persecution they had met in the East, and set out to establish their religious community free from bigotry and hate.

Today, in Utah and many parts of Idaho, communities join in the annual observance of Pioneer Day, commemorating the arrival of the Brigham Young party. Major celebrations are being held, including parades, pageants, dramas, special addresses, and even rodeos. These are proper accolades, for the Mormons did more than found a colony in which they could enjoy their religious freedom.

Brigham Young has been called the greatest colonizer in our country's history, because he sent Mormons into all the areas surrounding the Great Salt Lake, pioneering the agricultural empire that now flourishes where once there was only a vast expanse of sagebrush. Indeed, it was Mormon pioneers who founded the first settlement in my own State of Idaho at Fort Lemhi in 1855—and although it was later abandoned, in 1860, they founded the first permanent settlement in Idaho at Franklin. This frontier village was named for Franklin D. Richards, a distinguished Mormon pioneer. During their first year at Franklin, the settlers built a 3½-mile canal, admitting the waters of Maple Creek to their 10-acre farm tracts, and thus also launched the first major irrigation effort in the State.

Not only, of course, had the Mormons moved in and begun the early development of southeastern Idaho, but they also turned the barren area near the Great Salt Lake into a green and prosperous countryside; here, too, they built one of the most beautiful cities in America. The State of Utah was thus being born.

Today, we in Idaho pay our respects to Brigham Young and his valiant western pioneers, conscious that their decision to attain religious freedom in the untamed wilderness brought civilization and progress to much of our State. The words which Brigham Young spoke as he crossed a mountain range and looked down upon an uninhabited and desolately beautiful land, have rung down through the corridors of time as the epitome of discovery and journey's end. Truly, this was the place.

SENATE

MONDAY, JULY 27, 1959

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

Our Father, God, at the beginning of another week with its solemn responsibilities before us we would step out of the crowds which surround us and in the light of Thy presence face ourselves with the prayer, "Show Me Myself."

Alone with Thee, always a voice penetrates our busy occupations asking, "What shall it profit whatever else we gain if our personal powers, rich in promise, are dwarfed and blasted and we fall far short of Thy pattern for our lives?"

Always in communion with Thee, when all else is shut out, we glimpse the possible splendor that is in us knowing that the greatest thing we bring into the world is just a soul, sensitive to goodness and beauty, rich in possibilities of loving relationships, made for friendship, capable of devotions, obediences, and quiet heroisms, or upon occasion, of flaming sacrifice.

Grant us Thy restraining grace, that at any cost we may keep ourselves true to our high birthright, being perfected through the disciplines and experiences of life, and that we may so number our days that we may apply our hearts unto wisdom.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 24, 1959, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, and it was signed by the President pro tempore.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committee and subcommittee were authorized to meet during the session of the Senate today:

The Committee on Post Office and Civil Service, and

The Subcommittee on Housing of the Committee on Banking and Currency.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

NUMBER OF ICBM'S IN POSSESSION OF THE SOVIET UNION

Mr. JOHNSON of Texas. Mr. President, I found very disturbing, this morning, an Associated Press story which quotes the Secretary of Defense as stating that the Soviet Union has "fewer than 10 ICBM's capable of hitting our country."

Last January, the Secretary said that the Defense Department did not believe that Russia has an ICBM capable of operating against this country. Now he says that the number is fewer than 10. I hope that a few months from now he will not be saying that the Soviet capability is fewer than 20.

The phrase "fewer than" can be deceptively comforting. I hope we do not comfort ourselves too far, inasmuch as the only assurance that should be satisfying is that the Soviets have fewer than we have.

Mr. President, I ask unanimous consent to have a Washington Post article on this subject printed at this point in the RECORD.

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

[From the Washington Post and Times Herald, July 26, 1959]

SOVIET ICBM CAPABILITY DISCOUNTED BY MCELROY

Secretary of Defense Neil H. McElroy said yesterday that at the most Russia has fewer than 10 intercontinental-range missiles capable of hitting the United States.

"We do not believe that Russia at this time has any important capability of this nature," McElroy said.

At the same time, McElroy said U.S. defense chiefs believe America's overall weapons system "could more than match whatever the Russians will have in intercontinental ballistic missile capability."

McElroy gave this assessment in a television interview with Senator KENNETH B. KEATING (Republican, of New York), filmed for use by New York State stations.

McElroy's statement that the Russians may have a few ICBM's capable of hitting the United States contrasted with his views at a news conference last January 22 when he said:

"We do not believe that Russia has an ICBM capable of operation against this country at this time."

McElroy also said at that time that "as of now, we have no positive evidence that Russia is ahead of us in ICBM's—operational."

Asked by KEATING whether "our situation is improving now or is Russia improving faster than we are," McElroy said:

"We think that we are at least maintaining our relative position, and our relative position is such that we should be always in a position to discourage any attack by the Russians."

At another point, McElroy said if a large number of enemy bombers were sent against a limited number of targets in this country "it would be very likely that some of them would get through."

However, he characterized U.S. air defense as good, and said the cost to the enemy of any bomber attack would be very high.

This country, he said, must retain an ability that, should Russia "attack our country with large weapons, we would be in a position to destroy him. That is our principal basis of defense."

The validity of this policy was attacked on a radio program by Representative CHET HOLIFIELD, Democrat, of California, a member of the Senate-House Atomic Energy Committee.

In the event of a massive surprise attack, HOLIFIELD said, "I do not believe that we could retaliate to the extent that it would

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be an appreciable amount of damage to a foreign country."

HOLIFIELD predicted that a massive surprise attack would cause 50 million immediate casualties and some 20 million injured.

GALLUP POLL SHOWS VOTERS BELIEVE DEMOCRATIC PARTY IS THE MOST INTERESTED IN KEEPING PRICES DOWN

Mr. JOHNSON of Texas. Mr. President, one of the few clear trends in this very confused period is that public sentiment continues to rise in behalf of a responsible approach toward government.

The Gallup poll of yesterday demonstrates clearly that the people realize that responsible government is manifested by the Democratic Party on one of the most important of the issues before our people—inflation.

The question was asked, "Which political party—the Republican or Democratic—do you think is most interested in keeping prices down?"

The answer was clearly the Democratic Party.

I think that our Republican friends would be well advised to concentrate a little bit more on doing something themselves, rather than on trying to fight imaginary bugaboos of things that other people "won't do."

The Gallup poll in this instance is an excellent illustration of the famous saying by the first Republican President:

You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all the time.

I ask unanimous consent that the Gallup poll of July 25, as published in the Washington Post for July 26, be printed at this point in the RECORD.

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

[From the Washington Post and Times Herald, July 26, 1959]

DEMOCRATS GIVEN EDGE ON HOLDING DOWN PRICES

(By George Gallup)

PRINCETON, N.J., July 25.—GOP hopes of making inflation a major campaign issue in 1960 may backfire unless the Republicans do a better job of spelling out the relationship between inflation and high prices.

Almost daily, the Eisenhower administration makes known its concern with inflation. The assumption is made that voters will naturally link an anti-inflation stand with an interest in keeping prices down.

As things stand today, however, voters still give the upper hand to the Democrats in the matter of which party is more interested in keeping prices down. Their advantage on this count, in fact, has grown over the past few months.

As part of its special study on the public's feeling about prices and wages—with the steel strike causing fears about another inflationary cycle—Gallup Poll reporters asked this question:

"Which political party—the Republican or Democratic—do you think is most interested in keeping prices down?"

This has been the trend of the public's thinking on the price issue over the last few months:

Party most interested in keeping prices down

[Percent]

	Today	March
Democratic Party	38	35
Republican Party	23	28
No difference	28	26
No opinion	12	11

PRICE-WAGE FREEZE

Accompanying the confidence in the Democrats' interest in keeping prices down is support from a considerable segment of the population for a price-wage freeze—a move historically opposed by the Republican Party.

On the other hand, almost as many voters at present are against such a drastic step—believing it would give too much control to the Government and that it would serve to kill the workingman's initiative.

Among rank-and-file Democrats today sentiment tends to support a price-wage freeze. Among GOP voters the scales are tipped the other way.

Here is the question asked of all persons in the survey:

"Would you favor or oppose laws which would keep prices and wages at their present level?"

Price-wage freeze?

	Percent
Favor	44
Oppose	42
No opinion	14

Here is the vote on the issue by party affiliation:

[Percent]

	Republican	Democrat	Independent
Favor	42	47	42
Oppose	45	39	43
No opinion	13	14	15

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LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to give notice that following the conclusion of the Senate action on the unfinished business, which is Calendar No. 557, House bill 6596, for the development of a Coal Research and Development Commission, the Senate may proceed to the consideration of the following measures on the calendar:

First. Calendar No. 183, S. 690, providing for the increased use of agricultural products for industrial purposes.

Second. Calendar No. 337, H.R. 6319, concerning final disposition of certain benefits in the case of incompetent veterans.

Third. Calendar No. 425, S. 107, amending the Merchant Marine Act relating to ship mortgage insurance to include floating drydocks.

Fourth. Calendar No. 428, S. 1958, relating to arrestment of wages of U.S. seamen.

Fifth. Calendar No. 446, S. 716, authorizing the Attorney General to compel the production of documentary evidence for the enforcement of the antitrust laws.

Sixth. Calendar No. 464, S. 1965, relating to the terms of office of members of certain regulatory agencies.

Seventh. Calendar No. 485, S. 1845, amending title 35 of the United States Code relating to patents.

Eighth. Calendar No. 562, H.J. Res. 280, consenting to the interstate compact to conserve oil and gas.

Ninth. Calendar No. 569, S. 1795, amending the law relating to the promotion and retirement of Regular officers.

Tenth. Calendar No. 570, H.R. 4413, providing improved opportunity for promotion for certain officers in the naval service.

I should like to have the aids on the minority and the majority sides notify any interested Senators that all those measures have been cleared by the majority to be brought up by motion. Certain Senators on the minority side desire to be notified. So I should like to have the minority aids notify Senators that we expect to call up those measures, following the disposition of the unfinished business, although not necessarily in the order in which I have listed them, and that we shall call them up when we can arrange to have Senators be present.

Mr. CAPEHART. Mr. President, I was about to ask the Senator from Texas when he thought the Senate would take up Calendar No. 183, Senate bill 690, which provides for the increased use of agricultural products for industrial purposes. He has just announced that that bill will be taken up in the next day or two. I wish to congratulate him on that.

Furthermore, I wish to say that I am in favor of enactment of the unfinished business, Calendar No. 557, House bill 6596, to create a Coal Research and Development Commission, to find new uses, new markets, and so forth, for coal. I think the purpose of the bill is excellent, just as I think it is a fine idea for us to find new uses in industry for agricultural products.

Mr. MUNDT. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. MUNDT. I should like to associate myself with the remarks of the Senator from Indiana in congratulating the majority leader on the plan to bring up Calendar No. 183, Senate bill 690, which provides for the increased use of agricultural products for industrial purposes. On numerous occasions I have discussed the bill with the majority leader, and he has told me that he would get the bill cleared with the majority policy committee. He has done so; and I hope the bill will be passed unanimously, this week. I can see no reason why any Senator should oppose the passage of the bill.

Mr. CAPEHART. As I recall, last year a similar bill was passed by the Senate by a vote of 82 to 0; and I do not anticipate that there will be any votes against it this year.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON ECONOMIC ASSISTANCE PROGRAMS AND ADMINISTRATION

A communication from the President of the United States, transmitting, for the consideration of the Senate, a report on Economic Assistance: Programs and Administration (with an accompanying report); to the Committee on Foreign Relations.

PLANS FOR WORKS OF IMPROVEMENT IN INDIANA, MARYLAND, OHIO, AND TEXAS

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Boggs Creek, Ind., Gilbert Run, Md., Marsh Run, Ohio, and Martinez Creek, Tex. (with accompanying papers); to the Committee on Agriculture and Forestry.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN CALCINED ALUMINA

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 6,000 short tons of calcined alumina now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT OF BOARD OF GOVERNORS, FEDERAL RESERVE SYSTEM

A letter from the Chairman, Board of Governors of the Federal Reserve System, Washington, D.C., transmitting, pursuant to law, a report of that Board, covering operations during the year 1958 (with an accompanying report); to the Committee on Banking and Currency.

ESTABLISHMENT OF A JUNIOR COLLEGE DIVISION WITHIN THE DISTRICT OF COLUMBIA TEACHERS COLLEGE

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the establishment of a Junior College Division within the District of Columbia Teachers College, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON PROVISION OF WAR-RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public as of June 30, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

MIECZYSLAW J. PIORKOWSKI

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Mieczyslaw J. Piorkowski (with an accompanying paper); to the Committee on the Judiciary.

JAN FRANTISEK SEVCIK

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Jan Frantisek Sevcik (with an accompanying paper); to the Committee on the Judiciary.

PLANS FOR WORKS OF IMPROVEMENT IN ARKANSAS, MISSISSIPPI, AND TEXAS

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Flat Creek, Ark., Second Creek, Miss., and Tehuacana Creek, Tex. (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of Pennsylvania; to the Committee on the Judiciary:

"RESOLUTION OF THE SENATE OF PENNSYLVANIA

"There are twelve million decent, law-abiding Americans of Italian descent working and living in the United States. As a group and as individuals these citizens have contributed much to our way of life. Recently these fine people have become subjected to suspicion, and attacks of ridicule and contempt. Newspapers, motion pictures, television programs, and even the comic strips have focused the attention of the public upon the activities and evils of an alleged nationwide criminal organization known as the 'Mafia.' This partly resulted from the November 1957, meeting held by gangsters and racketeers of Italian descent held in Apalachin, New York. Americans of Italian descent join with their fellow citizens in renouncing these gangsters for what they are, but unfortunately the use of reckless language and exaggerated exposé techniques have resulted in creating a stigma which has attached to honest Italian-Americans without distinction. Honest citizens must stand in this shadow of evil and unfounded rumor concerning a national criminal organization of gangsters of Italian descent. Many of the Nation's leading law enforcement officers have debunked such rumors as myths. But still these Americans have to work and live in an atmosphere clouded by suspicion; it is effecting their occupations and livelihoods and results in discrimination and denial of civil rights which, if it involved another minority group, would not be tolerated by the American public. There is a need for ascertaining the true facts and presenting them to the public in such a way as to clear up the clouds of rumor and suspicion which have been generated: Therefore be it

"*Resolved*, That the Senate of Pennsylvania memorializes the Congress of the United States to proceed at once to investigate rumors concerning a national organization of criminals of Italian descent known as the Mafia, and ascertain the truth of such rumors, and further, if such organization does exist, to proceed to take such steps as will lead to the indictment and conviction of its members, and if such an organization does not exist, to make a clear official statement to that effect to the American public.

"EDWARD B. WATSON,
"*Secretary, Senate of Pennsylvania.*"

A resolution adopted by the board of supervisors of San Benito County, Calif., favoring the enactment of legislation to implement aid to needy children; to the Committee on Agriculture and Forestry.

A resolution of the council of the city of Los Angeles, Calif., favoring the enactment of legislation to provide sufficient funds for the continuance of the construction of the Federal Highway System; to the Committee on Appropriations.

RESOLUTION OF BOARD OF GOVERNORS OF NORTH DAKOTA FARMERS UNION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, a resolution adopted by the board of governors of the North Dakota Farmers Union, protesting against any increase in Federal gasoline and motor fuel taxes.

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

Whereas marked administered price inflation and some unwise engineering on choice of materials have increased the costs of highway construction above original estimates; and

Whereas the executive branch has recommended an increase in Federal gasoline taxes; and

Whereas gasoline sales taxes have some of the characteristics of toll roads: Be it therefore

Resolved, That the board of governors of the North Dakota Farmers Union, composed of all county presidents, urge Congress to:

1. Disapprove the recommended increase in Federal gasoline and motor fuel tax; and

2. Direct the executive branch to exercise better planning and more economy in materials in highway construction to pay for legitimate additional costs from the general funds of the Treasury;

And that this resolution be forwarded to North Dakota Senators and Congressmen, to members of the House Ways and Means Committee, and to the Senate Finance Committee, to the North Dakota Highway Department and to the U.S. Department of Commerce.

WHEAT ACREAGE ALLOTMENT IN KANSAS—STATEMENT AND RESOLUTIONS

Mr. CARLSON. Mr. President, a number of counties in western Kansas are receiving a reduced wheat acreage this year, despite the fact that Kansas is getting an allotment increase of 62,747 acres for the 1960 crop year.

Last Thursday a meeting was held at Atwood, the county seat of Rawlins County, which was attended by about 1,000 farmers and businessmen, protesting the reduction for Rawlins County.

The meeting was attended by Tom Miller, James Dyess of the Commodity Stabilization Service of the Department of Agriculture, Wendell Becraft, State director of the ASC, and a number of other officials of the State committee.

Rawlins County seeded 188,960 acres of wheat for the 1951 crop. Their allotment for 1960 is 123,482. This means that Rawlins County has taken a reduction of 65,000 acres in 8 years. This is, roughly, a reduction of one-third of the wheat acreage in this period of time and is important to a county that is one of the large wheat producing counties of Kansas.

Before quotas were established, most of the farmers in this territory were following a summer fallow program and were seeding about 50 percent of their cultivated acreage. Since the quotas were established, the acreage which could be seeded to wheat has been cut, and now it is possible to seed about 48 acres of wheat on each quarter section of land containing 160 acres. This makes a real problem in this wheat producing area.

I ask unanimous consent that a statement by Mr. Fred Hale, editor of the Citizen Patriot of Atwood, Kans., and a copy of the resolutions which were unanimously adopted by those attending this

meeting be made a part of these remarks and referred to the Committee on Agriculture.

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

STATEMENT BY FRED HALE

Mr. Frisbie, Mr. Becraft, Mr. Dyess, and other officials of the State ASC committee and officials of the A.S.D.A.

As you probably realize, when the farmers of Rawlins County do not raise wheat, business conditions locally are in a pretty sad state. We do not have to go back very far, to periods of drought, when crops were short, to remember that it is not only the farmers who suffer, but that business and professional men and women take their "raps" right along with them.

Up until recently, most of our problems dealt with the whims of Mother Nature, and during normal years, when rainfall was sufficient at planting time, and continued through critical growing periods, farmers could be pretty well assured of making a decent living, and in turn, we in the businesses and professions, prospered along with them.

Now, it seems, all of us are faced with another problem—the problem of economic survival—even when not faced with the hazards of weather. This problem is the gradual elimination of our rural population through curtailment of the number of acres of our one basic western Kansas crop: wheat.

Let's project this loss of 3,500 acres of allotment in 1960 just a little further and examine the implications. What, for instance, would it have meant this year? Rawlins County has harvested a wheat crop that averaged about 30 bushels per acre. On that basis, we would have lost 105,000 bushels of wheat in 1959. At the present cash price, that means a dollar loss of $178,000. That amount of income would mean actual cash income of $8,900 for the year for 20 farm families. Twenty farm families, each spending $8,900 a year with local business and professional people means an awfully lot to our economic well-being. Project it further—as most of us have been told—this is just the beginning. That in the years to come, additional acres will be lopped from our allotment. More and more farm families in Rawlins and other counties in the summer-fallow area, will be forced to leave their farms. And each farm family that leaves our communities makes it just that much harder for economic survival in our towns and villages.

To be quite frank about it, we like living here in western Kansas, and we are quite sure that others living on our farms and in our cities, like it here, too. It seems a shame that through discriminatory legislation, so many of our people are being forced to leave our area. It seems high time that action be taken to reverse that trend.

We ask no special favors, just the opportunity to continue to do business with people who are allowed to continue to grow our one basic crop, wheat, on a scale large enough to earn a decent livelihood. If the acreage reduction in this and other counties continues, there will not only be fewer and fewer farm families, but also fewer people in the businesses and professions, too.

At a public meeting of farmers, business, and professional men and women at Atwood, Rawlins County, Kans., after full discussion of the present farm program, as it concerns production of wheat, do, on this 24th day of July 1959, adopt the following resolutions:

1. We deplore the recent action of reducing wheat acreage allotments for Rawlins County for the 1960 crop year, and do hereby protest the law or regulation that makes certain that this county shall receive additional acreage reductions in each of the next 4 years. This protest is based upon the following facts:

(a) Rawlins County is one of the leading counties in the State of Kansas and in the Nation in the production of premium quality wheat. We wish to point out the fact that under controls, Kansas is second in the Nation in loss of allotted wheat acres.

(b) It is not economically sound to attempt to replace the production of wheat with other crops, in Rawlins County. Losses in wheat acreage in Rawlins County is an unrecoverable economic loss, for there are no other crops which can be produced profitably here, and this fact is supported by records of the statistician, Kansas State Board of Agriculture.

For these reasons, we believe the 3,500 acres of wheat allotment lost by Rawlins County for the 1960 crop must be restored.

We further resolve:

2. That any programs developed in a political atmosphere, and administered by political determination cannot effectively control production.

3. The production control program has resulted in a shift of wheat production to uneconomic areas by the policy of allowing an annual expansion of 3 percent for new wheat farms. By the same principal, it has shifted the uneconomic production of feed grains to areas such as our own.

4. Twenty-five years' experience has proved that we have increased production under controls.

5. It is not politically feasible, nor would farmers accept, production controls rigid enough to control surpluses.

6. We believe, therefore, that a program based upon realistic price supports for all grains should be adopted. Acreage controls should be abolished, and wheat, which is a most valuable feed grain, should be handled as the current program governing other feed grains. Wheat is known to be one of the leading feed grains, and has the added distinction of being a leading grain for human food. We sincerely believe that a wheat program based on these facts will result in a reduction of surpluses, allow wheat producers a fair opportunity to earn a livelihood, and all this at greatly reduced cost to the Government.

7. We thank the officials from the State and National offices who have come to Atwood to attend this meeting, and for their participation in the discussions that have enlightened us upon their responsibilities.

8. We thank the board of trustees of Atwood Community High School for the use of the building in which to hold this meeting, and to all others who have assisted in any way.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on Government Operations, with an amendment:

S. 2026. A bill to establish an Advisory Commission on Intergovernmental Relations (Rept. No. 584).

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

S. 1702. A bill for the relief of Franciszek Roszkowski (Rept. No. 585);

S. 1731. A bill for the relief of Pacifico A. Tenorio (Rept. No. 586); and

H.R. 4243. An act for the relief of Peter Sergeevich Deryabin, also known as Theodore Stanley Orel (Rept. No. 587).

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

S. 1071. A bill for the relief of Nettie Korn and Manfred Korn (Rept. No. 588);

S. 1557. A bill for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim (Rept. No. 589); and

S. 2238. A bill for the relief of Kenzo Hachtmann, a minor (Rept. No. 590).

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

S. 2021. A bill for the relief of Irene Milios (Rept. No. 591).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. DIRKSEN, from the Committee on the Judiciary:

Robert S. Rizley, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma;

Curtis Clark, of Kentucky, to be U.S. marshal for the eastern district of Kentucky;

Lama A. De Munbrun, of Kentucky, to be U.S. marshall for the western district of Kentucky; and

John F. Kilkenny, of Oregon, to be U.S. district judge for the district of Oregon.

By Mr. KEATING, from the Committee on the Judiciary:

John R. Bartels, of New York, to be U.S. district judge for the eastern district of New York.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Walter N. Walmsley, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Tunisia.

BILLS INTRODUCED

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

By Mr. MUNDT:

S. 2447. A bill to amend the Internal Revenue Code of 1954 to extend the time within which a minister may elect coverage as a self-employed individual for social security purposes; to the Committee on Finance.

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

By Mr. PROXMIRE:

S. 2448. A bill for the relief of Gilberto Dario Gagliani and Albertina Schiaffino Gagliani; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 2449. A bill to extend the International Wheat Agreement Act of 1949; to the Committee on Agriculture and Forestry.

By Mr. CAPEHART:

S. 2450. A bill for the relief of the Converse Salvage Co.; to the Committee on the Judiciary.

SOCIAL SECURITY FOR CLERGYMEN

Mr. MUNDT. Mr. President, I introduce, for reference to the appropriate legislative committee, a bill to amend the Internal Revenue Code of 1954 by extending the time within which a minister may elect coverage as a self-employed individual for social security purposes.

In 1954 Congress originally made it possible for ministers to be covered by our national social security program. This action in 1954 allowed clergymen a 2-year election period, which, incidentally, is still in force for those individuals who are just entering the field of the ministry. For individuals who

were already practicing ministers at the time of the original enactment the election period expired on the filing date for the taxable year of 1956.

Many clergymen had not been sufficiently advised of this available coverage, and failed to make the election within the time limits of the law. Therefore, Congress determined to extend the election period for an additional 2 years, thus allowing ministers until April 15, 1959, to make their decision.

It seems, Mr. President, that this extension period was not given enough publicity, and a goodly number of clergymen still remain uncovered by social security. I have heard from several practicing ministers in South Dakota, expressing dismay at their failure to make the election prior to April 15 of this year, and indicating their earnest desire to be included in the social security program.

Mr. President, the entire Nation owes a great debt of gratitude to the many fine men and women who have unselfishly dedicated themselves to the ministry of God.

The material rewards received by these good people are minimal, indeed, when compared with the magnificent work they do in carrying the teachings of Christ to every corner of the world. It seems to me the very least we can do is to assure that these men and women are provided with the opportunity to acquire some basic measure of security for their old age, following the conclusion of their active ministry.

I, therefore, introduce this bill, extending for an additional year the time period during which members of the clergy can elect coverage under the social security program. I hope that Congress will give early and favorable attention to this measure.

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

The bill (S. 2447) to amend the Internal Revenue Code of 1954 to extend the time within which a minister may elect coverage as a self-employed individual for social security purposes, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Finance.

WHITE FLEET OF AID AND MERCY—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of July 21, 1959, the names of Senators NEUBERGER, MCCARTHY, CASE of New Jersey, JAVITS, ENGLE, MURRAY, WILLIAMS of New Jersey, HARTKE, MORSE, DOUGLAS, HART, MCGEE, RANDOLPH, SYMINGTON, YOUNG of Ohio, JACKSON, CHURCH, GRUENING, GREEN, KEATING, MUSKIE, MAGNUSON, MANSFIELD, MOSS, PROXMIRE, PASTORE, ANDERSON, O'MAHONEY, KEFAUVER, YARBOROUGH, and COOPER were added as additional cosponsors of the concurrent resolution (S. Con. Res. 66) calling for establishment of a White Fleet of Aid and Mercy, submitted by Mr. HUMPHREY (for himself and other Senators) on July 21, 1959.

AMENDMENT OF CAPPER-VOLSTEAD ACT—RECOMMITTAL OF BILL

Mr. ELLENDER. Mr. President, after consultation with the authors of Calendar No. 525, Senate bill 2014, to clarify and amend the Capper-Volstead Act, and for other purposes, I ask unanimous consent that the bill be recommitted to the Committee on Agriculture and Forestry, for further study.

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

ADVISORY COUNCIL ON NATIONAL SECURITY—CHANGE OF REFERENCE

Mr. RUSSELL. Mr. President, in compliance with a request by the sponsors and with the approval of the Committee on Armed Services, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of Senate Joint Resolution 83, and that this joint resolution be referred to the Committee on Government Operations.

Senate Joint Resolution 83 would establish an Advisory Committee on National Security. A special subcommittee of the Committee on Government Operations, of which the junior Senator from Washington is chairman, has been established to study "the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism." This subcommittee apparently will consider the special area at which Senate Joint Resolution 83 is directed and, for this reason, the change of reference has been requested.

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

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

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

By Mr. CLARK:

Address delivered by Senator MCGEE before the National Association of State Agencies for Surplus Properties Convention, at Jackson Lake Lodge, Grand Teton National Park, Wyo., on June 24, 1959.

By Mr. AIKEN:

Address entitled "Using Farm Products in International Farm Programs," delivered by Senator CARLSON to the International Economic Policy Association, in Washington, D.C., on June 30, 1959.

By Mr. CARLSON:

Program at dedication of the National FFA Building, July 24, 1959, and address delivered by Senator CARLSON on that occasion.

By Mr. PROXMIRE:

Letter written by Representative HENRY REUSS, of Wisconsin, to the editor of the New York Times, published in the Sunday, July 26, 1959, issue of that publication.

THE APPROACHING CRISIS IN THE HIGHWAY BUILDING PROGRAM

Mr. SYMINGTON. Mr. President, throughout the country there is growing concern as to the approaching crisis in the highway building program.

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Highways Up to Congress," from the St. Louis Globe-Democrat.

Mr. President, in my own State of Missouri great progress has been made and is being made in meeting the needs of the growing metropolitan areas and the steadily increasing pressure on the expressways of Kansas City and St. Louis. But this work will slow to a complete halt in the very near future unless the Congress meets the vital need for additional funds for the highway trust fund.

Failure to do so will affect the security, as well as the prosperity, of the United States.

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

HIGHWAY UP TO CONGRESS

Next week the Missouri State Highway Department planned to let bids for the stretch of Mark Twain Highway that will run from Shreve Avenue to O'Fallon Park. That outlook now is not so rosy.

The Mark Twain Expressway is part of the 41,000 mile net of interstate superhighways that Congress voted to build in 1956. At that time, the program cost was estimated at $27,500 million.

But the inflation that gripped the country, largely because of reckless, deficit spending by Washington has hiked the cost of the superhighways by more than $3 billion.

In addition, last year, Congress voted to step up construction without providing any additional income. As a result, last year's spending spree has about exhausted the highway trust fund.

It isn't taking in enough from Federal gasoline taxes and other revenue to match the outgo.

"We are completely tied up," a Bureau of Public Roads official told the Globe-Democrat. "We cannot pay the States for work already contracted for.

"By October, there will be zero money in the highway trust fund."

So construction of the Mark Twain Highway and others all over the country will stop until the fund builds up.

Only Congress can get the vital highway building program rolling again under a full head of steam. That is, by hiking the Federal gas tax so that those who use the highways pay for them.

Any other course, such as borrowing money from the Treasury, would be inflationary and, in the long run, far more expensive. Inflation has already added billions to the cost of building this network of superhighways.

There must be no deficit road financing. The only honest and cheap way to build these expressways is pay as you go, upping the Federal gas tax.

Congress knows it. We hope it will show the courage of its convictions.

WHAT FARM LEGISLATION DOES THE ADMINISTRATION WANT?

Mr. SYMINGTON. Mr. President, in his press conference last Wednesday President Eisenhower said he hoped the Congress would pass "a decent farm bill which I think is terribly important to the United States, even at this late date."

As a result of that statement, the able chairman of the Senate Committee on

Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER], wrote President Eisenhower on July 23, and asked him to "kindly have a bill prepared embracing your views on farm legislation."

Mr. President, I ask unanimous consent that the letter from the chairman of the Senate Agriculture and Forestry Committee to the President be printed at this point in the RECORD.

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

JULY 23, 1959.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
White House, Washington, D.C.

MY DEAR MR. PRESIDENT: I note from the transcript of your press conference held on Wednesday, July 22, that you list among the "essential" bills which Congress should enact before adjournment a "decent farm bill which I think is terribly important to the United States even at this late date."

I would be most grateful, Mr. President, if you would kindly have a bill prepared embracing your views on farm legislation.

As chairman of the Senate Committee on Agriculture and Forestry, I can assure you that if you will supply us with draft legislation conforming to your own views and which you believe could be enacted by the Congress, such legislation will receive expeditious and thorough consideration by my committee.

With kindest personal regards and best wishes, I am,

Sincerely yours,

ALLEN J. ELLENDER,
U.S. Senator.

Mr. SYMINGTON. Mr. President, the Congress and the people have the right to know what the President considers a decent bill.

As long ago as last February 16, when the Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry, he promised to prepare and send to the committee an omnibus bill embodying his concept of decent farm legislation. That was 5 months ago, but Secretary Benson has not yet fulfilled that promise.

Nevertheless, Mr. Benson continues to oppose nearly every farm program submitted by farm leaders, or by Members of Congress.

In fact, during the first 6 months of this session of the Congress, 113 bills and joint resolutions were introduced and referred to the Senate Agriculture Committee, and on only 14 of these bills, most of which were minor, has the Department of Agriculture submitted a favorable report.

But when Congress does pass a measure in an effort to meet the problem, as in the cases of wheat and tobacco, President Eisenhower vetoes it.

The tobacco bill was a bipartisan effort which had the support of tobacco growers, co-ops, State farm organizations, and tobacco associations in all of the major tobacco producing States. It was a responsible bill, designed to meet the competitive situation faced by the tobacco industry. The President admitted the bill would have saved many millions of dollars a year. But he vetoed it.

In the case of wheat, the Congress passed a bill which, according to the Legislative Reference Service of the Library of Congress, would have reduced the cost of the wheat program by over a quarter of a billion dollars. This saving was verified by officials of the Department of Agriculture.

In addition, present Government-owned wheat inventories, now amounting to $3.1 billion, would have been reduced many million bushels per year; and overproduction of wheat would have been stopped.

But the President vetoed this bill also.

Again, therefore, if he continues to veto what we think is right, why does he not tell us what he thinks is right?

The people are tired of all these generalities and misty talk in the area of agriculture.

The lack of any coordinated farm policy on the part of the administration is costing the American taxpayer billions of dollars.

At the next opportunity, therefore, the President should be asked two questions:

First. What farm bill does he consider would be a decent farm bill?

Second. Why does not his Secretary of Agriculture fulfill his promise of last February to recommend to the Congress an omnibus bill which embodies his ideas?

THE NEED FOR EXTENSION OF PUBLIC LAW 480

Mr. STENNIS. Mr. President, we must export more agricultural commodities if we would restore balance to our agricultural program. Our agricultural economy is immediately affected and adversely affected when exports decline. The great surplus we have today is with us because we lack a vigorous and effective export program. These surpluses emphasize the critical need for developing a more realistic export program which will regain a fair share of world markets.

We desperately need an imaginative and vigorous export program for agricultural commodities—one that deserves and can count on the sincere support of the administration, as well as all other segments of our economy concerned with the future of American agriculture.

We cannot continue to follow, blindly, any course which has led to a decline of cotton exports from 7.6 million bales in 1957 to 5.7 million bales in 1958, and which experts expect to drop to less than 3 million bales this year.

I am hopeful that the Department of Agriculture will use every tool at hand to regain this market. The tragedy is that we have necessary legislation on the books to meet fully foreign competition. If a more vigorous and objective program is not put into effect by the Department of Agriculture in regard to cotton exports, there is no real hope of increasing the national acreage allotments, and we shall continue to build up surpluses.

Public Law 480, which is scheduled to expire on December 31, 1959, provides a sound approach for increasing agricultural exports. Its operation in the past has prevented our surpluses from being even higher. It cannot be allowed to lapse. The Congress should extend it with an overwhelming vote of confidence and trust the administration to use this authority more vigorously in combating the surplus-declining export problem.

The job of expanding exports becomes more difficult with each passing year. Many countries are progressing toward self-sufficiency in agriculture, even though economically unable to compete costwise. In order to protect their domestic production, they impose substantial import duties and other barriers to restrict their imports of farm products.

Thus, less developed nations that need our surplus food refuse to rely on available supplies, fearing that such trade might interfere with their own agricultural development programs. This problem must be recognized and faced. These countries must be reassured that we are not engaged in a dumping operation.

I believe that one of our greatest problems and serious threats will come through increased efforts on the part of Russia and Red China to increase commerce with other countries of the free world. This will have an additional impact on our agricultural export program. It must be met by firm, positive action on the part of our Government.

We must build our agricultural trade relations on a sound, long-range basis. Public Law 480 has given us a start and made a substantial contribution toward attaining this objective. The currencies we obtain in payment for commodities sold under title I have benefited both the United States and foreign countries. Substantial amounts of funds received for commodities are used for military construction. They are also loaned back to countries for economic development projects and other worthwhile programs which would otherwise call for U.S. dollar expenditures. In addition, this program has provided food and clothing for less fortunate people in foreign countries. The long-range benefits of these development programs will be to raise the living standard of less developed countries. In the future, they can become important customers for U.S. manufacturers and agricultural products.

The title I program is by far the most effective part of Public Law 480 as a means of promoting exports. This year, for example, about 20 percent of the value of all U.S. farm exports will move under the foreign currency program.

Title I sales were concentrated in such countries as India, Pakistan, Spain, and Turkey, who need agricultural products. Sales made under this act do not compete with dollar sales.

For example, more than 600,000 bales of cotton have been moved into substantial markets at a critical time when dollar sales were virtually impossible. This is the unusual feature that almost guarantees success of the program.

Since its beginning, almost 3.5 million bales of cotton have moved to friendly countries under this program.

Recently Indonesia, France, and Poland have signed agreements for substantial quantities of cotton, and other agreements have been negotiated which

promise to move an estimated 1 million bales.

Public Law 480 has also been instrumental in moving sizable quantities of wheat into the export market. Out of the total U.S. wheat exports this year, approximately one-half of the 450 million bushels exported will be sold under title I. About 1 million pounds of cottonseed oil and soybean oil will be shipped under this program during the marketing year ending this September 30. This represents about 75 percent of all U.S. vegetable oils exported for that period.

This program has not dislocated foreign markets, but has, in an orderly manner, been effective in reducing surpluses by attracting growing markets.

Approximately $220 million worth of foreign currencies have been used by the Treasury Department to provide U.S. agencies such as the State Department, Defense Department, and U.S. Information Agency with money to pay oversea expenses.

I have also been very much impressed with the use of foreign currencies for market development for agricultural commodities. Outstanding progress has been made in demonstrating the quality of American products through trade fairs in foreign countries. Foreign currencies have also been used to strengthen programs conducted by the U.S. trade groups to promote exports and study market potentials abroad. Foreign currencies are used to expand our educational exchange programs, to assist U.S. sponsored schools, libraries, and community centers, and to translate and disseminate U.S. textbooks.

The Military Construction Subcommittee of the Armed Services Committee, which I have had the honor to serve as chairman, has given special attention to the use of surplus commodities in connection with the construction of military housing. Under my sponsorship, the authorization for use of Public Law 480 currencies has now been increased to $250 million for construction of needed military housing and related facilities such as chapels, schools, and post exchanges. Otherwise, these facilities would require dollar expenditures.

This program has to date provided more than 8,000 units of housing in the United Kingdom, Spain, France, Japan, and Italy. Additional construction is planned in these countries; and, in addition, the Azores, the Philippines, Bermuda, Iceland, and other countries may provide excellent opportunities for the wise use of Public Law 480 funds in the future. This program has stimulated the export of agricultural commodities while defraying a sizable part of our defense costs.

Our committee has also urged the negotiations of barter transactions in countries where Public Law 480 funds are not available. More than 2,400 units of family housing have been constructed in France through barter contracts for cotton and wheat. While the Department of Agriculture has prohibited barter transactions under revised rules, our committee has urged the Department to revive the barter program, with the hope that this program can be reopened for the barter of surplus agricultural commodities for constructing military housing and other American defense needs.

When the military construction bill was under consideration 2 weeks ago, the Senate adopted my amendment requiring the Department of Defense to use available surplus commodity funds for military construction, in addition to family housing.

This new mandate will facilitate the use of foreign currencies in lieu of dollars for all military construction in countries where U.S. credits are available. This amendment would strengthen the objectives of Public Law 480, and I hope that it can be held by the Senate and House conference committee.

I would favor financing a substantial share of the foreign aid program by use of foreign currencies received from sale of agricultural commodities.

The future possibilities of an effective and sound program convince me that the extension of Public Law 480 is vital. Since its enactment, 1 billion bushels of wheat have been exported, 5 million bales of cotton, 300 million bushels of feed grains, 38 million bags of rice, 2.5 billion pounds of vegetable oil, 200 million pounds of tobacco, 3.4 billion pounds of dairy products, and substantial quantities of other commodities. I am hopeful that large amounts will continue to move each month under agreements authorized by title I.

As well as offering a sound approach for moving large quantities of surplus agricultural commodities, Public Law 480 has an important effect on our foreign policy and the dollar cost of our defense program. It deserves the consideration of every Senator, and I hope the bill reported by the Senate Agriculture and Forestry Committee, extending the program for 1 year, will receive the full support of the Senate.

AGRICULTURAL LEGISLATION

Mr. McCARTHY. Mr. President, I wish to commend the distinguished Senator from Missouri for the action he has taken, with the support of the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], in writing to the President of the United States insisting that he give us a real indication of what he means by a "decent" farm program.

The charge the President made recently implies that what the Senate has recommended and what the Congress has proposed are the opposite of a "decent" farm program. I presume that if we pressed him to explain, he would say this is an "indecent" farm program.

The language which the President used in the recent press conference is consistent with the language he and the Secretary of Agriculture have been using about agricultural programs during the present administration, and even that used in the campaign preceding the 1952 election, in which issues were distinguished as being moral or immoral.

What Eisenhower was for was declared by him to be the moral position: that held by others, of course, being immoral. Senators may recall the references to the immorality of the Brannan plan, and the declaration that the new approach to these problems was going to be a moral and spiritual approach.

The administration has been in office for some 6½ years. I am not disposed to question the spiritual level of the administration or the level of morality which exists in the administration; but if they have a farm program that they prefer to call a "decent" farm program, I think the time has come to make known their recommendations, so we can get their recommendations against the record before us, a record which shows that in this year net farm income is expected to fall 8 percent below what it was last year.

All of us know the record with regard to the increased cost of farm programs and the increased farm surpluses being held. We note almost every day that the cost of living is going up.

In other words, the overall picture shows that as this administration has gotten more and more of what it said it wanted in the way of a farm program the farm picture has become worse. I say, no matter what the level of spirituality and morality is in the administration and the Department of Agriculture, the time has come to ask these men who claim this superiority, to produce, for the record, in the tradition of the Old Testament which judged prophets on the basis of their works.

DEFICIENCIES IN THE LABOR REFORM BILL

Mr. GOLDWATER. Mr. President, last week the House Committee on Education and Labor adopted a much-watered-down version of the Senate's watery labor reform bill.

The Chamber of Commerce of the United States has listed the principal deficiencies in this proposed legislation, and I ask unanimous consent that this analysis, together with numerous editorials from around the country, showing the universal desire for good labor reform legislation, be printed in the body of the RECORD.

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

[From Labor Relations and Legal Department, Chamber of Commerce of the United States, Washington, D.C.]

PRINCIPAL DEFICIENCIES IN PROPOSED HOUSE LABOR REFORM LEGISLATION

INTRODUCTION

The House Education and Labor Committee has approved its version of a labor reform bill. The stated purpose of this legislation is to eliminate racketeering and corruption from the trade union movement. As approved by the committee, the bill sadly fails to achieve its stated purpose.

The following brief analysis outlines the major deficiencies of the committee's bill. While this analysis is directed at the provisions of the bill as reported, it should be made clear that the committee has failed to include in the legislation certain provisions which are indispensable to effective labor reform legislation. These indispensable provisions are complete prohibitions of secondary boycotts and organization and recognition picketing.

Failure to deal with these principal tools of corruption and racketeering now is in-

excusable. These tools have served Hoffa well in his drive for power. They have been among the chief reasons why he has become so entrenched.

The secondary boycott and organization and recognition picketing would not be curbed in the slightest by the House reported bill. Any labor reform legislation must deal with these matters—matters clearly revealed by the McClellan committee investigations to be the devices of the criminal and gangster elements in the trade union movement.

The committee has, moreover, failed to include adequate enforcement measures in its bill. Returning to State and local communities the authority to deal with disputes of an essentially local character would also have been a major step toward the elimination of the manifold abuses revealed by Senator McCLELLAN's hearings.

If the House of Representatives is given an opportunity to amend this legislation on the floor, every effort to obtain the vitally needed changes in the bill as reported must be made.

TITLE I—RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

Rights of membership

Section 101(a)(1): This section accords certain rights to members of labor organizations including the right "to participate in determining the policies," "to attend membership meetings," and "to vote in any election." The section then subjects these rights to "reasonable qualifications uniformly imposed."

Hence, in practice, unions may readily negate these rights by a determination of what is a reasonable qualification. The section can, therefore, be rendered meaningless.

Dues, initiation fees, and assessments

Section 101(a)(3): This section provides an exemption of federations of labor unions, such as the AFL–CIO, from the limitations imposed on increases in dues and initiation fees. This raises a question as to whether or not a parent body should be subjected to the same rule as its subordinate units.

Protection of the right to sue

Section 101(a)(4): While ostensibly conferring a right on a member to sue a union or its officials such right is effectively destroyed by the proviso requiring such member to exhaust the remedies under the union's rules before resorting to judicial action. This is required, moreover, without regard to how long the pursuit of such internal union remedies may take.

Safeguards against improper disciplinary action

Section 101(a)(5): A member of a union is denied any procedural safeguard until after disciplinary action has been taken. Moreover, the section fails to establish appeal procedures. Labor organizations are authorized to adopt and enforce rules requiring loyal observance by every member of his responsibility to the union and the labor movement as a whole. The sweeping authority thus granted would permit further emasculation of any safeguards intended to be created.

Enforcement of Bill of Rights

Section 102(a): This section denies enforcement of any right conferred in this title until internal union procedures or remedies have been exhausted or until 6 months have elapsed without a decision. To require a member to pursue internal union procedures may be futile; to require the member to wait 6 months may be fatal.

TITLE II—REPORTING BY LABOR ORGANIZATIONS, OFFICERS AND EMPLOYEES OF LABOR ORGANIZATIONS, AND EMPLOYERS

Reports by unions

Section 201(a): This section requires each union to adopt a constitution and bylaws and to file them with the Secretary of Labor. It also requires the filing of information concerning address, officers, fees, and detailed statements with respect to a number of specifically enumerated union practices. As reporting requirements, these may be desirable provisions. However, a glaring defect exists in the complete absence of any standards with respect to the various practices upon which reports must be filed. For example, information concerning procedure for authorization for strikes is required to be filed, but nothing is said as to what those procedures must be. A simple "none" answer would satisfy the law. The section is thus defective in its failure to include obviously needed standards.

Financial reports by unions

Section 201(b): The financial information required to be reported by unions under this section is in general the type which should be reported, but again a principal objection is to be found in the failure of the bill to impose any standards on a union regarding its financial dealings. Moreover, a union need only report salaries in excess of $10,000 and loans to officers or members over $250. There could well be many instances in which revelation of payments or loans below the indicated figures could serve a useful purpose in exposing transactions of a dubious character to the spotlight of public opinion.

Access to reports by members

Section 201(c): The effect of this section is to limit the access of members to the reports filed by the union inasmuch as the union is required only to make available the "information" contained therein in any fashion the union may choose. While a member may go to court to enforce this right, it is questionable if such a remedy is realistic.

Exemption from financial reporting

Section 201(d): An exemption from the financial reporting requirements is automatically granted to any union with less than 200 members or having gross annual receipts of less than $20,000. Only by formal proceeding by the Secretary of Labor may this exemption be removed. This would effectively exempt nearly 70 percent of all unions from financial reporting. In view of the subsequent provision authorizing simplified reports from small unions, no blanket exemption appears justifiable. Under this section, Dio's paper locals would not be required to report.

Union access to NLRB

Section 201(e): This section removes the strong inducement upon a union to comply with the reporting requirements because it repeals the Taft-Hartley Act language denying access to the NLRB for failure to report. In other words, failure to file under the proposed bill would now be no bar to unions to use NLRB facilities.

Penalties for violation of reporting sections

Section 209(a): This section is deficient because it fails to provide any penalty for the violation of any rules and regulations issued pursuant to the act. Rules and regulations therefore would be unenforceable.

Personal responsibility for reports

Section 209(d): Any person required to file a report may readily avoid a penalty for a false report simply by denying he knew it to be false. This emasculates the enforcement language.

Enforcement of reporting requirements

Section 210: This section fails to permit the Secretary of Labor to seek a court order to enforce the rules and regulations he issues under the act.

TITLE III—TRUSTEESHIPS

Reports by unions imposing trusteeships

Section 301: Failure to provide any standards which unions should follow in imposing trusteeships on a subordinate union is a major defect in this section. Reports on such trusteeships are required but copies of the reports are not required to be given to members. Enforcement of this provision is rendered difficult, if not impossible, by requiring personal knowledge of falsity of any report filed. No penalty is provided for a violation of rules and regulations issued pursuant to this title by the Secretary of Labor.

Purposes of trusteeships

Section 302: This section purports to limit the imposition of trusteeships by listing the valid purposes of the trusteeship. It, in fact, imposes virtually no limitations since carrying out the legitimate objects of the union is considered to be a valid purpose. Nowhere are legitimate objects defined.

Time limitations on trusteeships

Section 304(c): The effect of this section is to render a trusteeship virtually immune from legal attack for 18 months by granting a presumption of validity for that period of time which can only be overcome by clear and convincing proof of invalidity.

TITLE IV—ELECTIONS

Election of international union officers

Section 401(a): Except for the requirement of a secret ballot, this section fails to establish any standards for the conduct of an honest election. It contains no provision for access to membership lists by candidates nor for an honest count of the ballots.

Election of officers of intermediate bodies

Section 401(c): This section relates to the election of officers for joint boards, joint councils, or other assoications of unions and is as deficient as the section above on election of international union officers for the same reasons.

Nominations and voting

Section 401(d): Since this section fails to specify who shall be able to nominate candidates, the practical control of elections is left in the hands of autocratic union officials. Notice of elections need only be given to members in a general manner.

Elections in conventions

Section 401(e): This section merely provides an empty shell of protection by requiring that the constitutions and bylaws of a union be followed in electing officers. Since many constitutions and bylaws are silent on the subject the deficiency is apparent. Official records need only be maintained for 1 year. Nowhere are official documents enumerated.

Removal of officers

Section 401(g): This section permits a union member to go to court to seek a recall election to remove an elected officer guilty of serious misconduct. The deficiency rests in the failure to provide for the removal of nonelected officials or those not guilty of serious misconduct.

Enforcement of election requirements

Section 402(a): Before a member can go to court to upset a fraudulent election, this section requires that such member must first pursue internal union remedies for at least 6 months. This section would have operated as a bar to the court action instituted by the 13 teamsters resulting in the appointment by a Federal court of monitors to supervise that union.

Exclusiveness of remedies

Section 403: The effect of this section prohibits State action to supplement or complement the remedies provided in the title for a contest over an election previously held.

TITLE V—SAFEGUARDS FOR LABOR ORGANIZATIONS

Union officials as fiduciaries

Section 501(a): This section purports to make union officials financially accountable for their conflict-of-interest dealings. A major loophole is created by limiting the fiduciary duty to take into account the special problems and functions of a labor organization. Another major loophole arises from the fact that no accountability is required for profits reaped by an official who uses his office (not union funds) to his personal advantage.

Union loans to officials

Section 503(a): The permissible amount of a loan to an officer or employee of a union is fixed at $2,500. The lower amount of $1,500 specified in the Senate-passed bill may itself prove ineffective in preventing wrongdoing or financial irresponsibility.

Payment of defense costs and fines

Section 503(b): Under this section a union or an employer is permitted to pay the defense costs of any official charged with violating the act as well as the payment of any fine if the violation was not willful.

Persons ineligible for union or employer association office

Section 504: This section purports to keep the criminal and subversive element out of the labor-management scene. Its failure to do so stems from absence of provisions denying office to persons convicted of specified crimes (manslaughter, aggravated assault, kidnaping, forgery, sedition, assault with a dangerous weapon, abduction, blackmail, perjury, espionage, and a host of other serious felonies) instead of to those convicted of any felony.

Payments by employers to his employees or to union officials

Section 505: This section amends section 302 of the Taft-Hartley Act so as to make it a crime, punishable by fine and imprisonment, for an employer or his representative or anyone who acts in the interest of an employer to make certain payments to unions, union officials, or to employees for the purpose of influencing other employees in their rights to organize and bargain collectively. This section is a criminal statute. It absolutely forbids certain payments. Violation could send an employer to jail. Yet, under its provisions it could be a Federal crime for an employer to give money to an employee or a committee of employees for the purpose of holding an annual banquet, or buying uniforms for a bowling or baseball team, or to subsidize an employee dance. Each of these activities has an indirect influence on employee thinking about organization and collective bargaining.

TITLE VI—MISCELLANEOUS PROVISIONS

Investigations by Secretary of Labor

Section 601(a): This section requires the Secretary of Labor to have probable cause to believe a violation of the act has occurred before he can undertake an investigation. This virtually requires preknowledge of the facts that his investigation is designed to uncover. The Senate-passed bill, S. 1555, required only a belief that it was necessary to conduct an investigation. Moreover, the Secretary is powerless to investigate violations of the bill of rights title.

TITLE VII—TAFT-HARTLEY AMENDMENTS

No man's land

Section 701(a)(b): This section approaches the jurisdictional no man's land problem by giving sole occupancy in the area to the Federal Government. The result is to exclude the States from handling matters which are of strictly local concern and to impose on an already swollen Federal bureaucracy the impossible task of handling thousands of additional complaints—some involving establishments of no greater size than a corner drugstore with one or two employees. With a current caseload of over 6,000 cases the Board is even now faced with a herculean task in its endeavor to keep current. The imposition of this added responsibility manifestly will create an impossible situation, even if the Board is increased to seven members as the bill proposes and its staff is vastly enlarged.

The proper approach in eliminating the no man's land problem would be to vest States and State agencies with the power to handle labor cases in a manner not inconsistent with the provisions of Federal law.

NLRB changes

Section 701(c)(d): This section would establish a seven instead of a five-man National Labor Relations Board, the members having 7-year terms. In general, it is doubted whether this superficial attempt to reduce the backlog of NLRB cases is the answer since seven men instead of five would be required to review and consider policy cases.

This section also attempts to clarify the jurisdiction between the Board and its General Counsel. Ever since the General Counsel's Office was established in 1947, a conflict over division of authority has existed between the NLRB and its semi-independent General Counsel. Since no testimony has been presented to Congress that the suggested division of authority would eliminate this conflict, the proposal is of doubtful value.

Building trades amendments

Section 702(a): This section nullifies right-to-work laws and further weakens the present secondary boycott section of Taft-Hartley by permitting building trades unions to win recognition without showing they represent a majority of employees. Negotiation of prehire contracts permitting a 7-day union shop and requiring notification to the union of job openings is authorized. Contract clauses requiring minimum job experience and seniority priority based on employment in the industry or geographic area are permitted. Such clauses may circumvent State right-to-work laws and the guarantees of free choice contained in section 7 of the Taft-Hartley Act regarding union membership.

Secondary boycotts

Section 702(c): This section permits secondary boycotts at construction sites by permitting common situs picketing. It would remove restrictions now placed by courts and the NLRB on such picketing.

Voting rights of economic strikers

Section 703: This section rewrites the existing Taft-Hartley rule and permits lawfully replaced economic strikers to vote in representation elections.

Prehearing elections

Section 704: This section amends Taft-Hartley to permit elections after 30 days without requiring a formal hearing if there are no substantial issues of fact or law to be resolved by a preelection hearing. The section specifically prohibits elections without a hearing if the appropriate bargaining unit is in dispute. This is a return to the days of the Wagner Act. It places great power in the hands of the NLRB investigator or hearing officer to determine, without a hearing, whether or not there are substantial issues of fact or law.

Hot cargo—Secondary boycotts

Section 705(a): This section cleverly nullifies the provisions of the Senate-passed bill—S. 1555—curbing hot cargo secondary boycotts by common carriers and the Teamsters. It takes a different technical approach by making it an unfair labor practice for a common carrier covered by the Interstate Commerce Act to enter into such an agreement with a union. It adds a similar unfair labor practice for a union to make such an agreement with a common carrier. The major loopholes that destroy the effort to halt hot cargo boycotts are: (1) an employee of a common carrier may refuse to provide service where a labor dispute exists, and (2) unions by contract may prohibit a carrier from discharging such an employee.

Recognition picketing

Section 705(a): This section would place an ineffective limitation on recognition picketing and does nothing about organization picketing. It would prevent picketing for recognition purposes only (1) if another union is the bargaining agent (this is already in sec. 8(b)(4)(C), of the law) and (2) where the picketing union has lost the election within the past 9 months.

Defense for recognition picketing

Section 705(d): This section is objectionable because it provides that existence of a mere charge of an unfair labor practice against an employer is a defense to obtaining an injunction against recognition picketing. As any union or employee can file a charge at any time this provision in effect would mean that an injunction could never be obtained against recognition picketing.

Unfair labor practice priorities

Section 706: A new priority for handling unfair labor practice charges of discrimination by employers and unions is created by this section. This priority is second only to the priority accorded secondary boycott and recognition picketing charges. This section relegates many other equally important unfair labor practice charges to the lowest possible priority.

[From the Shelbyville (Ind.) News, July 7, 1959]

WHERE REFORM IS NEEDED

Among the many areas in which labor reform is urgent and vital—and is not provided by the Senate-passed Kennedy bill—none are more important or have been less understood than organizational (blackmail) picketing and the secondary boycott. To California's Congressman EDGAR W. HIESTAND, with a strong assist from the Government's Small Business Administrator Wendell B. Barnes, goes the credit for perhaps the most effective illumination to date.

In a dramatic and clarifying study, as reported by Human Events, Mr. HIESTAND reveals that "more than 27 million Americans—owners and employees of small businesses—are now at the mercy of labor union racketeers because of deficiencies in existing laws." He noted pointedly that the Kennedy bill provides these citizens no help.

He quotes Administrator Barnes: "Since their financial resources are extremely limited, they are unable to resist the economic pressures exerted against them with impunity by the powerful labor organizations. For these firms, the rights guaranteed to employers in the Taft-Hartley Act have no practical significance * * * they have no rights at all." These pressures may be in the form of a secondary boycott in which the small business is threatened and bulldozed to prevent its buying the goods or services of a company against which the union is striking—as in Walter Reuther's efforts to discourage the plumbing contractors of America from dealing in Kohler products.

Or the small business may be threatened with organizational (blackmail) picketing: "The employer is given to understand that, if he fails to agree (to his employees being dragooned into the threatening union) a

picket line will be thrown around his plant to intimidate his suppliers and customers as well as his employees.

"This is a formidable threat," says SBA, "because few small concerns have the economic stamina to hold out against picket pressure. On the other hand, if he signs a contract, he will betray the right of his employees to select their own representatives. Moreover, the employees may strike his plant in protest."

And, if you can stand one more item of woe, the small employer has no assurance the National Labor Relations Board will have any time for his troubles. "It has had to decline jurisdiction, because of filled dockets, in cases of many small concerns whose annual volume of business does not qualify their cases for review."

"Congressman HIESTAND vows," says Human Events, "that the Kennedy bill, if and when it reaches the floor, will be rigorously amended." If those 27 million Americans who own and work in small businesses, and who are sitting ducks for union sharpshooters, rise up in their wrath and support Representative HIESTAND, he can't miss. Whether they will do this is another guess. There isn't any time to waste.

[From the St. Louis (Mo.) Post-Dispatch, July 6, 1959]

ON WHOSE SIDE?

After more than 6 weeks, the House Labor Committee is still struggling with the writing of a labor reform bill. The committee is under intense union pressure. Every member of it, and of course every Member of the House, must face the voters next year. Union leaders are making the most of their concentrated power, especially in city districts, to affect the results of congressional elections.

So it is not surprising that the reports from the committee speak of a steady drift toward weakening one clause after another of the Senate-passed bill. The Senate bill itself, in our opinion, does not meet the public demand for a genuine and effective reform measure which adequately corrects the abuses exposed by the McClellan investigation. To water it down still further would represent a humiliating defeat of the public interest by organized group pressure.

Inevitably, the question is now arising: Would not half a loaf be better than none? A bill which carried out some of the needed reforms might very well be preferable to no legislation at all, but individual Representatives must be judged by their individual contributions to the final result. A Congressman who votes and works for a watered-down bill instead of a truly effective and comprehensive one must be prepared to go before the voters as a candidate who placed the union lobby's interest above the public interest.

It is not difficult to tell where the public interest lies. It lies first in reasonable but effective reform of internal union organization: in public accountability for union welfare funds and other finances, in protecting the rights of union members from usurpation by union bosses, in making the leaders more directly answerable to the rank and file. Secondly, the public interest demands effective legislation against secondary boycotts and blackmail picketing.

The first general objective can be attained by adopting the Senate bill's provisions on financial accounting and its bill of rights for union members, preferably with a stronger enforcement clause. The second objective requires rewriting of the Senate measure as it applies to "hot cargo" and blackmail picketing.

The House could find no better guide to legislation on the latter points than Secretary of Labor Mitchell's proposals. Mr. Mitchell is not trying to outlaw legitimate secondary boycotts—those, for example, which are directed against a company's performing struck work—nor is he trying to outlaw legitimate picketing. His proposed amendments would strike only at the kind of boycott by which a union wages a dispute with one employer by penalizing an innocent one, and at the kind of picketing which permits "top-down organizing" aimed at intimidating the employer instead of persuading the employees.

These are the minimum standards of an adequate labor reform bill, and Congressmen will be judged by whether they fight to protect or to tear down these standards. There is no public interest in legislation designed to weaken the right of collective bargaining. There is a strong public interest in legislation to curb the excesses of unscrupulous union leaders like Jimmy Hoffa. Every Congressman should be prepared to let his constituents know whose side he is on.

[From the Rome (Ga.) News-Tribune, July 1, 1959]

COURAGE NEEDED

The St. Louis (Mo.) Post-Dispatch is a famous newspaper which always has been friendly to the cause of organized labor. So something it recently said about pending Federal labor legislation is of marked significance.

"The public interest," observes the Post-Dispatch, "does not demand a union-busting bill, but it does demand a measure which effectively guarantees union democracy, makes union leaders more directly answerable to the rank and file, and corrects the abuses so impressively brought out by the McClellan investigation."

It then deals with certain loopholes and defects in the labor bill which passed the Senate. The bill's language is loose, for one thing, and leaves wide open room for evasions. The provision dealing with blackmail picketing is weak—much weaker, for instance, than that advocated by Secretary of Labor Mitchell. And the means the law provides for enforcing the bill of rights that it is supposed to guarantee the rank and file of union members leaves a great deal to be desired. Workers who felt their rights were infringed would have to file suit in the courts in an effort to obtain redress—an expensive and time-consuming stratagem that is obviously beyond the resources of most union people.

The Post-Dispatch concludes: "There are, no doubt, other respects in which the Senate bill could be improved without converting it into a union-busting measure. The secondary boycott, picketing and bill of rights enforcement clauses seem to us the most important. We hope the House will tackle them courageously despite political pressure from the unions."

This is a moderate view—and, to repeat, it comes from a longtime friend of labor. The country both needs and deserves a better, stronger bill than that passed by the Senate.

[From the Madison (Ind.) Courier, July 2, 1959]

LABOR LEGISLATION

U.S. businessmen are accused of being selfish because they want to strengthen the Kennedy-Ives labor bill passed by the Senate this year.

Shall the vast majority of Americans be kept waiting uncertainly year after year for protection from the racketeers while first attention is given to a few efforts to keep the racketeers from stepping on the toes of their own unions' members?

The bill passed by the Senate does virtually nothing for the public. Millions of Americans pay tribute to the gangsters in the form of higher prices and inconveniences; the public is constantly shocked, sometimes endangered by the gangster tactics, yet the public is expected to wait for relief. There is evidence of a strike in Madison today.

It's time Members of Congress quit viewing the problem from the standpoint of what they think is politically feasible and start dealing with it from the standpoint of public need.

Secondary boycotts and organizational picketing are the means the racketeers commonly use to violate the public interest. Why not outlaw them? Boycotts are always a danger and can strike any business with sudden, harsh and ominous force. They usually come in the form of a warning from a union boss that you must stop handling a certain product or doing business with a certain firm, or the union will see to it that no one does business with you.

Small businessmen and their millions of customers are the favorite victims. Much else that needs to be done to curb union racketeering was not included in the Senate bill. For one thing, candidates for union office should be given access to union membership lists. Lack of this provision in the bill would entrench control in the hands of the bosses in power.

Moreover, the Senate labor bill revises the Taft-Hartley law, imposing new handicaps on employers in matters not concerned with racketeering. These are designed to make the bill palatable to unions. They should be removed.

There is still time and hope for a good labor bill this session.

[From the Burlington (Vt.) Free Press, June 25, 1959]

HOFFA ON CARPET AGAIN

The McClellan committee is resuming hearings on the International Brotherhood of Teamsters and its president, James R. Hoffa, at a time when the House Education and Labor Subcommittee is working on a labor reform bill.

This is a fortunate coincidence because Hoffa is the best argument going for a labor bill with sinews.

His presence on the Hill may have a good effect on writers of legislation in the House. Senator MCCLELLAN has told them what should go into a good labor measure.

The months long parade of crime and corruption before the Rackets Committee has not been wasted on the Senator, even though it seems to have been on many another Senator and Congressman.

Specifically, Senator MCCLELLAN says the bill passed by the Senate should be strengthened:

1. To deal effectively with the no man's land between State and Federal jurisdiction in labor disputes;

2. To outlaw secondary boycotts;

3. To include stronger picketing provisions; and

4. To include a strong labor bill of rights.

As a result of a no man's land in which the National Labor Relations Board refuses to take jusisdiction and in which the States can't, thousands of business firms who are the victims of unfair labor practices are denied a hearing before any agency or the courts.

Secondary boycotts are those in which third parties are pressured into putting the screws on parties with which a labor union is at odds.

Examples of harmful picketing are so-called blackmail picketing, which is used to extort tribute from employers, and recognition picketing which sees plants picketed in which a majority does not want a union in order to change the minds of the majority and in order to enlist the aid of the employers in so changing minds.

A strong labor bill of rights is needed to help union members get rid of unscrupulous labor bosses.

This is not all that is needed, by any means. We can think of two other items right off; namely, placing labor unions under the provisions of the antitrust laws and removing union membership as a requirement for holding a job.

But if Congress will give attention to the renewed investigation into the affairs of the Teamsters and then listen to Senator McCLELLAN, there will be a chance for progress against labor lawlessness.

[From the New Iberia (La.) Iberian, June 22, 1959]

WAKE UP, AMERICANS, ONLY THE STINK REMAINS

(By Otto Garr Tague)

Of late it really is shameful how Congress kids the public. Supposedly most responsive of all branches of the Government to the wishes and needs of the people, in recent years it has become the willing tool of pressure groups who, through organized effort, make the most noise, and through their paid lobbyists are always present to blackmail its Members into doing their will.

Two outstanding examples will suffice to illustrate what I mean. One has to do with the manner in which labor union regulation has been kicked around; the other with the manner in which Congress has failed to provide our people with relief from the Supreme Court's foray against the people's rights as guaranteed by the Constitution.

When the McClellan committee began to turn up pay dirt as Dave Beck, Jimmie Hoffa, and dozens of labor grafters took the stand and disclosed a condition somewhat resembling peonage in union after union, the cry of protest and anguish that emanated from the Members of Congress was something to gladden the heart of the peons and all citizens who favor fair play.

Immediate action was promised to put a stop to the grafting and make labor unions subject to the will of their rank-and-file dues-paying members. Then the lobbyists went to work. Suddenly a period of profound silence ensued. Apparently on the recently adopted theory that if you let an issue lie around long enough it will cease to be an issue. Then up popped the Kennedy-Ervin bill, greeted with fireworks and fanfare. A new emancipation proclamation had been issued. Slavery was abolished. Except that when examined it was easily noted that nothing really was abolished. Not a single important wrong disclosed by the McClellan committee had been righted. And so much stink was aroused that it might be well to do nothing until the stink subsided. The circus has retired to its winter quarters. Oh, yes. Congress still is the responsive member of the three-ring circus. But responsive to the big noise of organized groups. And slavery has not been abolished.

[From the Cortland (N.Y.) Standard, June 19, 1959]

Along about the turn of the century industrial and financial interests in this country went too far. Greed for money and power led to excesses that outraged the public. The result was the antitrust laws. Public opinion demanded that the abuses be cured, and the Government ultimately obeyed.

Now we are seeing the same thing in the case of certain labor unions.

The classic current example is found in the projected scheme for forming a huge union made up of the workers in all the transportation industries. If that is ever done, a strike order could shut down the trains, the planes, the ships, the trucks and buses—and that would amount to shutting down the country.

However, the public temper is now becoming clear. The Portland Oregonian expresses a fast-spreading sentiment when it says: "This newspaper sees no valid reason why labor unions which now have or could arrange to have * * * the power to bring the national economy to its knees with a general strike, and to leave the Nation defenseless against attack, should not be subject to the same antitrust laws which govern their employers.

"Laws against monopoly in restraint of trade are based on a solid foundation of the welfare of all Americans. A transportation monopoly * * * is a weapon which could destroy the Nation. * * *" It is significant that so outstanding an authority on the labor problem as Senator McCLELLAN now urges the application of antimonopoly laws to unions. The unions will fight hard against this. But the handwriting is on the wall, plain for all to see.

[From the Wapakoneta (Ohio) News, June 29, 1959]

SMOKE SIGNALS

(By Summers)

The 30-member House Labor Committee is reported hard at work writing a new labor reform bill to replace the Kennedy sweetheart bill which the Senate pushed through its Chamber in evident haste, and which Senator JOHN L. McCLELLAN, Labor Rackets Committee chairman has consistently and repeatedly denounced as inadequate.

As the final witness at the House hearings, just before its Labor Committee went into retirement to do its homework, Senator McCLELLAN blasted the shortcomings of the unionmade legislation bearing the Kennedy label.

"It does not fully meet the legislative needs," declared the earnest and judicial Arkansan. "It will not, as it is now written, correct all of the evil conditions and improper practices that we know exist. It can be strengthened to do so; it should be so strengthened before it is enacted into law."

But few Washington observers expect any such reinforcement to be applied by a committee of which the majority must be considered highly allergic to the displeasure of union leaders. And since officials of the CIO–AFL, the Teamsters and the United Mine Workers are now frowning on even this spineless measure as passed by the Senate, the rewrite that the committee will send to the House floor can be expected to be even weaker—if the toilers' command of double-talk is equal to the occasion.

Thus, if there is to be any effective legislation in the labor field—and Speaker RAYBURN is said to have decided that there's gotta be a bill this session—realists agree it will have to be written on the floor via amendments to the committee's offering.

To be effective, any labor reform measure must, at very least, outlaw organizational picketing by which workers who may prefer another union, or none at all, are dragooned into the picketing union; provide an airtight ban on the malicious and cowardly secondary boycott; restore to the States the power to enforce their own labor laws where Federal officials claim jurisdiction but refuse to act.

It's getting hot in Washington, and the pull of home ties is growing stronger. It will be quick and easy for the House to pass whatever the committee hands over—unless an awful lot of people—in and out of unions—issue some instructions to their man on the House floor. If those who have been shocked, or angered or frightened (or all three) at the McClellan revelations will say their piece now, we can have worthwhile labor reform legislation.

But, in this final showdown, constituents will have to write it.

[From the Petaluma (Calif.) Argus-Courier, June 30, 1959]

NEED FOR LABOR REFORM

There remains only a short time for Congress to do something about labor reform, and the need for labor reform is growing every day. The bill passed by the Senate is not adequate. If the House provides a stronger bill, then there is hope that the Senate-House conferees can agree on an adequate bill. Such a bill should: outlaw organization picketing; outlaw secondary boycotts; straighten out the no man's land mess; give State courts and agencies authority to handle labor relations matters as long as they do not take action in conflict with Federal law; provide a strong bill of rights for union members; impose upon unions and employers requirements for reporting their affairs that strike only at corruption and do not impose unnecessary burdens. It is important that effective labor reform be obtained this year, for this may well be the last chance for years to come.

[From the Canandaigua (N.Y.) Messenger, July 2, 1959]

CALL FOR HELP

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To be effective, any labor reform measure must, at very least:

Outlaw organizational picketing by which workers who may prefer another union, or none at all, are dragooned into the picketing union.

Provide an airtight ban on the malicious and cowardly secondary boycott.

Restore to the States the power to enforce their own labor laws where Federal officials claim jurisdiction but refuse to act.

It's getting hot in Washington, and the pull of home ties is growing stronger. It will be quick and easy for the House to pass whatever the committee hands over—unless an awful lot of people—in and out of unions—issue some instructions to their man on the House floor. If those who have been shocked, or angered or frightened (or all three) at the McClellan revelations will

say their piece now, we can have worthwhile labor reform legislation.

But, in this final showdown, constituents will have to write it.

DOUGLAS McKAY

Mr. GOLDWATER. Mr. President, last week the United States lost one of its distinguished men, and we heard him extolled at great length on the floor of the Senate. He was Douglas McKay, a former Governor of the State of Oregon, who later served as Secretary of the Interior.

The Washington Post and Times Herald is probably one of the most vociferous of newspapers clamoring for truth and honesty. In fact, one of the most admirable traits of the late owner, Mr. Meyer, was his insistence on truth. I only wish the editorial writers of that newspaper would be more consistent in following the admonitions of Mr. Meyer in expressing the position of the newspaper.

I refer, Mr. President, to an editorial which was published in the Washington Post and Times Herald on July 25, 1959, entitled "Douglas McKay." In the editorial, it is stated:

This period was, in fact, one of the stormiest in the recent history of the Department of the Interior, when all sorts of private special interests tried (with some success) to obtain concessions or reversals of long-standing regulations. If Mr. McKay's own conservatism was not so extreme as that of some of the men around him, he seemed unable or unwilling to halt the depredations in oil leases, wildlife refuge invasions, weakened mine regulations and the like.

Mr. President, that is only a part of the editorial written on the life of Mr. McKay. I ask unanimous consent that the editorial be printed in the RECORD.

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

DOUGLAS McKAY

Douglas McKay was a genial, likable fellow who was a better Oregon businessman and politician than administrator in Washington. A highly successful automobile dealer who had been Republican Governor of Oregon for two terms with large popular support, he came to this Capital in 1953 as President Eisenhower's first Secretary of the Interior. Despite this earnestness, his 3 years as Secretary were not happy ones for the country.

This period was, in fact, one of the stormiest in the recent history of the Department of the Interior, when all sorts of private special interests tried (with some success) to obtain concessions or reversals of long-standing regulations. If Mr. McKay's own conservatism was not so extreme as that of some of the men around him, he seemed unable or unwilling to halt the depredations in oil leases, wildlife refuge invasions, weakened mine regulation and the like. His acquired championship of the national parks and interest in the upper Colorado project did not offset the effect of the open-door policy. By the time he retired to run against Senator WAYNE MORSE in 1956 he had become a political liability, and he was roundly defeated.

Yet in a sense Mr. McKay was a victim of circumstances. He was brought to Washington at a time of political change when certain groups were looking to the Eisenhower administration to undo most of what had been done for 20 years. The amorphous partnership policy placed him in the middle of the public-private power fight which he had avoided. If he was swept along in the current, he was not the only one. It is too bad that this had to happen to an essentially good and kindly man.

Mr. GOLDWATER. Mr. President, some 4 or 5 years ago I found it necessary to attack the Washington Post and Times Herald on the floor of the Senate with regard to a number of inaccuracies in a series of articles which were published in the newspaper about the Department of the Interior as it was conducted by Secretary McKay.

Mr. President, I do not care to go through these matters again, but I ask unanimous consent that an analysis of the giveaway charge made against the administration, which was published in the CONGRESSIONAL RECORD, volume 102, part 3, pages 3541–3546, be printed in the body of the RECORD at this point.

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

ANALYSIS OF GIVEAWAY CHARGES MADE AGAINST THE ADMINISTRATION

Mr. GOLDWATER. Mr. President, along with remarks I am about to make regarding the Department of the Interior, Secretary McKay, and certain charges which have been made, I should like to have printed in the RECORD an analysis of certain other charges and allegations made in a series of articles in the Washington Post and Times Herald which purported to go into the giveaway charges made against the present administration.

My staff and I have gone through this series of nine articles which appeared beginning on January 8 through January 16 of this year, and the analysis which I am placing in the RECORD points up the one-sided aspect of these articles, and, in general, the misinformation which has been characteristic of these so-called giveaway charges.

The analysis, which covers the major allegations made in this series of articles, shows once again how some facts have been twisted and other facts totally ignored. It also lends strength to my remarks of January 19, in which I pointed out that a newspaper which has loudly championed freedom of the press, had best begin to practice the responsibility of factuality that the public accepts as a duty of the press. The most rigid and the most demanding of these in the instance of the freedom of which we speak is that reporting be honestly and objectively accomplished.

Mr. President, I submit that a reading of the analysis shows that not only did the articles not follow the course demanded by a free press—fact and objectivity—but that the irresponsible, politically inspired charges which have been made under the general category of giveaway are without factual basis.

The truth is that Secretary McKay and this administration have upheld the highest principles of conservation of our great natural resources, and that if any giveaway did occur, it occurred due to laws which were on the books when this administration and Secretary McKay came into office. The responsibility for any giveaway must be placed at the doors of those who failed to provide remedial legislation, rather than those who administered the law of the land fairly.

Mr. President, I ask unanimous consent that the analysis of which I have spoken be printed in the RECORD at this point in my remarks.

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

Mr. GOLDWATER. I yield.

Mr. WATKINS. I am a member of the Committee on Interior and Insular Affairs, and have been for more than 9 years, but I can join wholeheartedly in support of the statement made by the distinguished Senator from Arizona. The Department of the Interior, under the direction of Douglas McKay, has been operated in accordance with law, and, to my knowledge, there has not been one single instance in which anything has been given away.

Mr. GOLDWATER. I thank the Senator from Utah for his remarks.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Arizona?

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

"CHRONOLOGICAL SUMMATION OF INTERVIEWS AND DATA FURNISHED WARREN UNNA, WASHINGTON POST AND TIMES HERALD STAFF WRITER, IN CONNECTION WITH RECENT GIVEAWAY SERIES

"November 25, 10 a.m.

"Mr. Unna interviewed the Director. Earl Thomas, Assistant to the Director; Michael Giller, Minerals Officer; Mack Corbett, Information Officer, were also in attendance. Mr. Unna indicated he was seeking information for use in a series of articles and submitted queries based on information he had previously received elsewhere on practically all of the charges made by conservationists in his series of articles. It was in this interview he took the quote attributed to Mr. Giller on Wind River Indian Reservation oil leasing. The quote, 'It's debatable whether it's a giveaway to have a competitive lease or a noncompetitive lease,' was taken out of context and leaves an unfair impression of what Mr. Giller really said. The remainder of that particular quote was: 'By that I mean it is debatable whether the Government always gains any advantage by competitive leasing.'

"Then Mr. Giller went on to explain that the regulations are designed to bring maximum rates to the Government by having competitive leasing where it is warranted and noncompetitive leasing where it is warranted, namely, in wildcatting or unknown geologic areas for oil and gas. Certain facts were given Mr. Unna on the Wind River oil leasing at this time. Mr. Unna's statement, as always, carefully attributed to 'critics of the administration's program,' rather than to himself, that the private oil companies now lease for 20 cents an acre with no need for bonus payments, is an oversimplification of the facts that were given him, namely: Department regulations call for payment of rental as follows: 50 cents per acre for the first lease year, no rental for the second and third lease years, 25 cents for the fourth and fifth years, and 50 cents for the sixth and succeeding years.

"November 25, noon

"Mr. Corbett, subsequent to Mr. Unna's interview with the Director, gave Mr. Unna a large photostat prepared by the Departmental Information Office of Oregon newspaper clips giving both sides of the Al Sarena question, including Secretary McKay's statement, charges of Drew Pearson, the refutations made by both Oregon daily newspapers, and a favorable analysis by former Governor Sprague, of Oregon.

"About December 7

"Karl Landstrom, of the Lands Staff, was contacted by Mr. Unna over the telephone, as result of which he prepared a table of data on withdrawals, restorations, and disposals, showing that approximately 700,000 acres had

been disposed of since January 1, 1953, as compared with approximately 918,000 acres from 1945 through 1952. The trend figures on withdrawals and restorations showed that withdrawals exceeded restorations in 1955 and 1954 for the first time in several years.

"The figures furnished by Mr. Landstrom are attached.

"About December 8

"Mr. Unna contacted Mr. Corbett by telephone, requesting figures on acreages under mineral lease or permit by International Nickel, Inc., M. A. Hanna, and Kennecott Corp., in Minnesota. After a careful check of Geological Survey and BLM records, Mr. Corbett telephoned Mr. Unna the following day to give him these data: No leases to any of the three concerns; no knowledge of any 50-year leases pending or granted to International Nickel Co. which Mr. Unna seemed to have inside knowledge from other sources; 5 permits to International Nickel for 3,587.47 acres, and 5 permit applications pending for an additional 4,620 acres. One permit issued M. A. Hanna for 741.03 acres and 1 application pending for approximately 10,280 acres; no permits on record for Kennecott Corp. The original hand draft listing every mineral permit on record for Minnesota, and on which Mr. Corbett prepared the information given Mr. Unna, is attached.

"About December 12

"Mr. Unna telephoned Mr. Corbett seeking to verify the width of right-of-way granted to Pacific Gas & Electric Co. by Congress near Barstow, Calif., for a natural-gas pipeline. Mr. Corbett advised Mr. Unna the next day that a check of the records, in the short time allowed, did not disclose any actual right-of-way agreement indicating the size of the right-of-way, but that all right-of-way grants are either 40 feet from the centerline or 50 feet from the centerline; therefore, it might reasonably be assumed that the right-of-way was an 80-foot right-of-way, since Mr. Unna's other informants had described it as being 40 rather than 50 feet.

"About December 14

"Mr. Unna contacted Lewis E. Hoffman, minerals staff officer, regarding a 50-year recorded advance form of lease for International Nickel Co., M. A. Hanna Co., and Kennecott Copper Co. Mr. Hoffman told him his office had no record of such proposed leases and that if any of these companies had conferred with the Assistant Secretary he did not know about it.

"In addition to this chronological summation, these Interior Department officials also talked with Mr. Unna in connection with the series of articles which he wrote:

"Lee Muck, Staff Assistant, Office of the Assistant Secretary for Public Land Management. Mr. Muck has since retired from the Department.

"Conrad Wirth, Director of the National Parks Service.

"John L. Farley, Director of the Fish and Wildlife Service.

"Clark Salyer, Chief of the Refuge Division, Fish and Wildlife Service.

"Alistair McBain, Chief of Information, Fish and Wildlife Service."

"THE AL SARENA CASE

"Charge: The one big giveaway case in the timber business * * * concerns Al Sarena Mines, Inc. It is extremely difficult to obtain timberland in the National Forest but one way is to obtain the lumber as a mere byproduct to claims for mineral deposits beneath the soil. In the past, Interior has been exceedingly tough on such claims because the timber byproduct being more valuable is usually the real incentive behind the claim for a mineral deposit.

"Fact: Under Secretary of the Interior Clarence Davis has made it clear that the decision he made to grant patents in the Al Sarena case was dictated by the law, rather than by an unjustified usurpation by an executive agency of the powers rightly vested in Congress. Here is a quotation from his recent testimony on this point:

" 'Under the mining laws, which had not been changed since 1872, until last year, a miner who stakes out his claim on public lands and files on it, spends $500 in the development of it, and proves that he has a valid discovery of minerals, is entitled to a patent * * *. There is no reference to timber in the mining laws; whether there is much, little, or no timber makes no difference whatever as a matter of law. * * *

" 'Nevertheless, a few years ago, the Department of the Interior attempted to inject into the mining laws a standard of discovery which required profitable operation and a showing that the mineral deposits had the greater comparative value than other uses. This is not the standard set up by law * * *.

" 'To allow mining claims to be located and then to judge them on standards other than those set up by the Congress and the Supreme Court is administrative legislation.

" 'If we are to adopt the philosophy that any Department of Government is vested with such vast powers, then it should be done by an act of Congress and not by administrative decision. * * *

" 'The wise use of our great national forests is a program supported by all of us. However meritorious that objective, I trust you will agree that we should never distort the law in order to attain it.'

"Charge: The standing timber on the Al Sarena claims, even before cutting is worth some $638,000—an 8,000 percent return on the company's investment.

"Fact: The facts regarding the timber values have been set forth by Under Secretary Davis as follows:

" 'I must reemphasize at all times that the value of timber on mining claims is not material; that the Congress has never passed legislation which denies mining claims merely because there is timber on them; but there has been comment in the press and I believe from some of the members of your subcommittees to the effect that these claims constitute a timber grab. Let me point out:

" '1. At the time these claims were filed on as mining claims, there can be no dispute that similar timber could have been purchased in Oregon for as low as $2 and $3 an acre. The fact that all the claims were staked between 1897 and 1939 would demonstrate conclusively that at least in the beginning there could have been no thought of any profits out of the timber.

" '2. The only testimony in the record at the time I passed on the case was the testimony of Mr. G. Robert Leavengood of the U.S. Forest Service. His testimony is: "The value of the timber which we would cut now runs about $77,000 on the contested claims."

" 'Admittedly, timber has increased in value since this record was made up in 1950, but I have difficulty in believing that it has increased as fantastically as some of the figures which have been so freely used.

" '3. If the mine had been developed, even without the issuance of any patent, the timber would have been available for the purposes of timbering the mine if underground workings were pursued and would have been largely lost to the Government.'

"Charge: Senator W. Kerr Scott, Democrat, of North Carolina, chairman of the joint investigating committee, finds the Al Sarena case smacks of 'bottom of the deck' dealing by 'high levels' within McKay's Department.

"Fact: Here is the reply by Under Secretary Davis to this charge:

" 'Mr. Chairman, the language has been used that there was some kind of "high level interference" in this case. I am a little puzzled as to what is meant by that term. * * *

" 'If you mean by "interference" that the Secretary has overruled the decisions of one of the numerous bureaus, then I must protest the use of the language.

" 'The Secretary of the Interior, and by delegation in this case, the Solicitor, is the final judge of the decisions of the Department. All of the actions of this vast army of 50,000 people employed by the Interior Department can be appealed ultimately to the Secretary for decision. * * *

" 'To say that the Secretary should not reverse field decisions or decisions of the bureaus is simply to argue that the decisions of field offices or bureaus should be final, and that we should have government by bureaucracy without interference from the elected executive branch. I hope it was not meant to imply that I am in error merely because I reverse the decision of some bureau. If so, then there is no need for a Solicitor, there is no need for Assistant Secretaries, and there is little need for a Secretary himself.' "

"FACTS ON ALLEGATIONS CCONCERNING WATER AND POWER RESOURCE DEVELOPMENT IN SERIES OF ARTICLES PUBLISHED IN WASHINGTON POST AND TIMES HERALD BEGINNING JANUARY 8, 1956

"Charge: Not one new start has been made on a large Federal multipurpose dam (like Hungry Horse Dam in Montana) since the Eisenhower administration took office.

"Fact: It is technically correct that no new dam 'similar' to Hungry Horse in construction or in power capacity has been authorized or construction started. However, Glendo Dam on the North Platte River in Wyoming and the Trinity River development in California are new hydroelectric projects on which construction has been initiated in fiscal year 1956. The Glendo Dam will have 24,000 kilowatts capacity and the Trinity River project 233,000 kilowatts. The administration has supported Libby Dam in Montana, the upper Colorado River storage project, and the Fryingpan-Arkansas project in Colorado. All three would have major hydroelectric power production as part of their multiplepurpose functions. Several lesser hydroelectric plants have been started as part of existing reclamation projects.

"Charge: Secretary of the Interior McKay failed in his responsibility to press for a Federal high dam at Hells Canyon.

"Fact: The position of the Department of the Interior is that Congress has refused to authorize Federal construction and the Supreme Court has plainly placed responsibility for decision on the license application by the Idaho Power Co. in the Federal Power Commission.

"Charge: This administration has abandoned dam sites such as Nez Perce on the Northwest's Snake River.

"Fact: The Nez Perce site was abandoned in the previous Democratic administration on the insistence of fishery interests.

"Charge: The Department of the Interior has abrogated the traditional 'wheeling' regulation.

"Fact: The Department continues to negotiate wheeling agreements with private power companies for delivery of Federal power to preference customers.

"Charge: The Department has attempted to abolish preference customers altogether.

"Fact: No example exists of any abolishment of preference rights of customers purchasing energy from the Bureau of Reclamation.

"Charge: The Department's new marketing criteria is an attempt to force rural electric cooperatives out of existence.

"Fact: The Missouri basin marketing criteria was announced merely as a notice to advise the Missouri River basin power suppliers, publicly and privately owned alike, that the Federal Government would not accept the responsibility of keeping the area supplied with power and that some long-

range planning arrangements were necessary so that the suppliers could schedule construction of their own generating capacity.

"In the Pacific Northwest, the Bonneville Power Administration policy of long-range commitments was considered for adoption on the same basis as in the Missouri River basin; that is, that the Federal Government would not take the responsibility for supplying power for any particular area other than that developed as a byproduct of multiple-purpose river development facilities.

"Charge: The Department of the Interior has allowed private utilities to enjoy 'dump rates' for an indefinite period.

"Fact: With respect to Canyon Ferry Dam, a Bureau of Reclamation structure in Montana, there is no question but that the Montana Power Co. is enjoying a benefit from Canyon Ferry power at dump rates. The final determination on construction of transmission lines, which would make possible delivery of power to other customers, rests with the Appropriations Committees of the Congress.

"Charge: The administration has proposed a downstream benefits bill, which would permit agencies with upstream private dams to charge the Government for storage of water.

"Fact: In the Columbia River basin, downstream benefits are computed and charged in operation of Federal dams. Simple fairness requires that private facilities receive the same treatment.

"Charge: The administration is considering cutting the Pacific Gas & Electric Co. into California's publicly owned Central Valley project, by way of facilities of the Trinity River division.

"Fact: This was a congressional action in the Trinity River authorizing legislation, which required the Secretary of the Interior to investigate and report to the Congress on the Pacific Gas & Electric and other possible partnership proposals for development of power facilities.

"Charge: The administration, through the Bureau of the Budget, has generally discouraged Federal power projects.

"Fact: While critics say there has been a general lack of enthusiasm from the Bureau of the Budget in authorizing new projects, evidenced by outright stop orders or behind the scenes 'Dutch uncle' talks which keep Interior agencies from ever requesting funds, a little investigation would disclose that the same situation has existed for several years back during the Democrat administration in the Bureau of the Budget."

"FACTS AND ALLEGATIONS CONCERNING MINERALS

"Charge: The Department of the Interior is about to give away minerals on 12,000 acres of Superior National Forest, through a 50-year lease option to International Nickel Co.

"Fact: While International Nickel has been a prospecting permit applicant since 1951 and does in fact hold 5 such permits covering an aggregate of 3,588.47 acres, no lease has as yet been granted.

"International Nickel quite recently indicated it plans to request two leases covering a total of 4,938.77 acres. Involved in the two areas are one of International Nickel's own permits and one tract for which the company had applied for a permit not yet issued. The remaining acreage—about half the total—includes lands covered by other permits and permit applications upon which International Nickel holds options.

"In view of the extremely low grade marginal copper and much lower content of nickel believed by experts to be present in the deposit, and the necessity for large investment to make production possible, it was found advisable to make preliminary arrangements for a long-term lease which might be issued if and when it was shown that an adequate mineral deposit was present and could be developed.

"The schedule of rentals and royalties proposed under any lease, when and if issued, would be higher after the first 25 years than the terms of the average hard mineral lease issued by the Department on known commercial deposits, and the terms for the initial 25 years would be comparable, notwithstanding the marginal nature of the deposit in this instance.

"The act of requesting that a lease be issued, as International Nickel has indicated it will in the near future, does not mean that the lease will be issued immediately, nor does such request assure that any lease ever will be issued. In making its request, the company will submit what it considers evidence of the presence of copper and nickel in sufficient quantities and of satisfactory quality to render mining operations feasible, and justifying the large investment which would be necessary to the operation.

"Charge: The Department told the International Nickel Co. to draft the kind of lease it wanted and 'we'll be glad to look it over.'

"Fact: In considering the preliminary arrangements for a long-term-lease form, conferences were held for a period of more than a year. Forest Service requirements for surface use of the lands, the marginal nature of the deposit, and the large operation handling a large daily tonnage which would be necessary in the area were among the factors contributing to the determination that a long-term lease would be needed if development of the mineral deposit were to be achieved.

"The lease form finally agreed upon embodied terms proposed by the Bureau of Land Management and Geological Survey, and accepted by the International Nickel Co.

"Charge: Under previous administrations, the company got nowhere in pressing for a 99-year lease, but once the administration changed it confronted the Forest Service with a letter from the Office of Defense Mobilization declaring the national welfare would be endangered if the Forest Service did not permit the mining.

"Fact: The copper and nickel deposit in Superior National Forest was of sufficient intrest to the ODM and other defense minerals agencies in 1952 that a representative of ODM called a meeting on July 17 of that year with the apparent intent of showing the need for immediate development of the deposit and to promote the issuance of prospecting permits.

"Represented at this meeting on July 17, 1952, in addition to ODM, were the Office of Defense Materials Procurement, Defense Minerals Exploration Administration, Bureau of Mines, Geological Survey, Forest Service, and Bureau of Land Management.

"During this meeting, maps of the deposit were examined and the nature of the deposit was discussed. It was considered to be highly marginal if commercial at all. The necessity for Government subsidy of any productive operation was foreseen as a strong possibility.

"Defense minerals agencies indicated that development was important, in view of the existing scarcities particularly of nickel, and possibilities were explored for early issuance of prospecting permits. At that time two permits had been issued, and following the July 17 meeting work was begun on other applications so that by January 1, 1953, five permits had been issued. This number had been increased to 13 by February 1, 1953.

"The act of June 30, 1950, 81st Congress, opens Superior and all other national forests in Minnesota to mineral leasing. This is a special act applying only to that one State."

"FACTS ON ALLEGATIONS CONCERNING INDIAN AFFAIRS IN THE SERIES OF ARTICLES PUBLISHED BY THE WASHINGTON POST AND TIMES HERALD BEGINNING JANUARY 8, 1956

"Charge: In a memorandum of May 16, 1955 the Commissioner of Indian Affairs made it possible for individual Indians to withdraw their share of the reservation or tribal land.

"Fact: The May 16 memorandum had nothing whatever to do with tribal land which is the common property of all the members of a particular tribal group. It was concerned solely with allotted land which is the property of individual Indians. In essence, the memorandum provides that if the Indian owner of an allotment seeks a fee patent (or unrestricted title) and can demonstrate his competence, the patent shall not be withheld merely because the land happens to be located in a timber or grazing unit. In all cases where the sale of such patented allotments creates problems for the owners of Indian lands remaining in trust, the Indian Bureau will consult and cooperate actively with these owners in working out fair and equitable solutions. No problems have so far arisen under the May 16 memorandum which proved incapable of such solution and none is anticipated.

"Charge: The Interior Department sponsored 1954 congressional bills removing from Federal protection a million acres of timberland on the Klamath Reservation in Oregon and 200,000 acres of timberland on the Menominee Reservation in Wisconsin.

"Fact: Both the Klamath and Menominee Tribes were included in a list of tribes presented to the Senate Civil Service Committee in February 1947 by the then Acting Commissioner of Indian Affairs with the statement that they 'could be denied Federal services immediately or in the future, whichever the Congress should decide. Both tribes were also included in House Concurrent Resolution No. 108 which was adopted by both branches of Congress in the summer of 1953 without a dissenting vote. This resolution called upon the Secretary of the Interior to submit proposed legislation which would terminate Federal supervision over the property and affairs of the tribes named therein. In compliance with this mandate, such proposals were submitted covering the Klamath and Menominee Tribes, among others, in the forepart of 1954. After full hearings in which representatives of both tribes participated actively, laws providing for termination of Federal supervision over a period of approximately 4 years were enacted for both. Representatives of both tribes indicated approval of the legislation as finally enacted.

"Charge: The Indian Bureau has given away property belonging to the Nez Perce Indians by authorizing the transfer of 19 acres of land and the several school buildings on it to Public School District No. 341, at Lapwai, Idaho.

"Facts: For a period dating back 10 years up to 1949, some 150 Nez Perce Indian children have attended the public school at Lapwai. In 1949, that elementary school burned down; and the Government allowed the school district to use the buildings which had been the former Indian school. The State of Idaho needs long-term tenure to the property before it can make extensive repairs and heating equipment replacement.

"There is a difference of opinion between the Government and the tribe as to the ownership of the land involved. That difference is now before the Federal District Court for the District of Columbia for settlement.

"The Department's objective is to make the property available to the school district so that some 300 children (about half of them Indian) will have a place to go to

school. Every effort is being made to accomplish this objective.

"Charge: The Department released Wind River Reservation oil rights on 161,000 acres of the Riverton reclamation withdrawal area to the detriment of the Indians.

"Fact: The pattern of administration of oil and gas development within the Riverton reclamation withdrawal was established not by the Department of the Interior but by congressional legislation—Public Law 284, of the 83d Congress. This legislation was supported, prior to enactment, by the joint tribal council of the Wind River Reservation in a resolution of January 27, 1953, and by tribal attorneys and delegates at the Senate committee hearing.

"Charge: The Department tried to shut down a garment factory in Flandreau, S. Dak., which, since 1935, has been adding $28,000 a year in earnings to the 'submarginal existence of a group of 150 Indians.' South Dakota's two Senators intervened and kept the factory open.

"Fact: The Flandreau garment factory was established in 1934 to provide employment for Indian women of the local community during depression period. After a few years of producing dresses only for the Flandreau Indian school, the operations were later expanded through the acquisition of high-speed power machines to include the manufacture of 30 different articles of clothing which have been widely used in schools and hospitals throughout the Indian Service.

"In 1951 an intensive study of the factory's operations was made by a special survey committee of Bureau personnel. This study revealed (1) that the factory was not an economically sound enterprise (a loss of $7,656.70 was suffered in fiscal 1950; $6,853.62 in fiscal 1951), and (2) that closing the factory would not involve serious social or economic readjustment (19 of the 24 women then regularly employed were married and living with their husbands; current employment opportunities were available locally for 17 of the husbands while the other 2 were presumably eligible for old-age assistance; the 5 single women could obtain employment locally or in off-reservation garment centers). The committee recognized that the factory had served its original purpose but felt that there was no longer justification for continuing it as a Federal operation.

"After discussions with the Indians about the possibility of their taking over the factory as a tribal enterprise failed to produce a favorable response, the committee recommended that the factory be closed on June 30, 1953.

"The closing date, however, was later postponed to March 1, 1954, in order to allow ample time for the factory employees to make personal readjustments. Before this date was reached a further examination of the factory operation showed evidence of considerably improved prospects and an additional extension was granted to March 1955.

"In August 1954, however, the picture was changed greatly when Congress enacted Public Law 568, providing for a complete transfer of all Federal Indian hospitals and other Indian health operations to the U.S. Public Health Service by July 1, 1955. Since the Public Health Service operates its own supply depot, it was obvious at once that a major market for the products of the Flandreau garment factory would be eliminated. In fact, during fiscal year 1955 sales of the Flandreau garments to Indian hospitals and health facilities totaled $49,935.93, as compared with $34,257.73 in sales to Indian schools.

"In discussions leading up to the actual transfer of Indian health responsibilities, Public Health Service officials clearly stated that it would not be feasible for that agency to continue purchasing Flandreau garments indefinitely. In response to urging by the Indian Bureau and South Dakota Senators and Congressmen, however, they did agree to carry on the purchases for 1 fiscal year, so that every opportunity would be provided for making necessary adjustments and for exploring the possibility of having the factory taken over as a nongovernmental operation. Such explorations have been carried on but have thus far produced no tangible results. The factory is now scheduled to close by the end of the 1956 fiscal year.

"Currently there are 15 workers employed by the factory. All of them have been offered full Bureau assistance in finding other employment opportunities.

"Charge: The Bureau of Indian Affairs showed impropriety in awarding a food contract to an unpaid Bureau consultant.

"Fact: The Bureau awarded a contract to supply food for five schools on the Cherokee Reservation in North Carolina for half a school year on a factfinding basis to see if contract feeding would provide a better grade of food at less money than Government-operated kitchens. The short-term contract, which was limited to less than 1 percent of the Bureau's feeding operations, was awarded not to an 'unpaid consultant' but to an experienced food service organization which had an excellent reputation for satisfactory performance on contracts of this general type. The final report of the operation, which ran from January to June of 1955, showed that the children got a greater variety of more nutritious and more palatable food from the private contractor than they did from Government operation—and at less cost. Government prepared means averaged 48.8 cents per meal; the contractor furnished better food at an average cost of 47.08 cents; and that average included some expensive cooking equipment which had to be installed, and which will last a number of years. After finding that a private contract was desirable, the Bureau invited bidding on a longer term contract to provide food service at the Cherokee schools. The competitive bidding resulted in the awarding of the contract to a company that had played no part in the carefully documented experiment; the contract was awarded to a Birmingham, Ala., concern which guaranteed the meals at 44 cents each—a saving of almost 5 cents per meal to the Indian Bureau.

"Charge: The Bureau of Indian Affairs negotiated a 'rigged' contract to rent automobiles instead of buying them and then abandoned the plan because of a threatened congressional investigation.

"Fact: The Bureau did rent 39 automobiles from a rental firm, after careful investigation of the company's rental plan and the plans of other national rental agencies. The contract was let as a 'feeler' to find out if renting would be preferable and more economical than outright Government ownership. At the time of the contract, one of the Bureau's biggest problems in its operation of a fleet of 5,133 cars, trucks and busses was the cost of keeping them in running condition. The use of Bureau cars for a minimum of six years or 60,000 miles in remote areas and over bad roads made the maintenance problem one of serious proportions. The charge that the contract was 'rigged' is entirely without foundation. It was an investigatory contract, let on what was the most feasible basis at the time. The chairman of the House of Representatives subcommittee investigating this matter publicly stated during the hearing that there was no evidence that would impugn the honesty or integrity of Bureau staff members in any way. The contract was not abandoned because of a threatened investigation, but was canceled by action of the Comptroller General of the United States on the ground that it was entered into without competitive bidding."

"FACTS AND ALLEGATIONS CONCERNING PLANTS FOR PRODUCING SYNTHETIC FUEL, OIL SHALE, ETC.

"Charge: The Department has given away plants for producing synthetic fuel, oil shale, zirconium, titanium and helium.

"Fact: The synthetic liquid fuels demonstration plants at Louisiana, Mo., converted from the Missouri ordnance works, were closed in the summer of 1953. The portion of the plants made up from the Ordnance works' original installation were turned over to the Army later in 1953 under terms of a congressional act dated September 13, 1951. The remaining structures were transferred to General Services Administration, as required by law. GSA, in turn, transferred custody to the Department of the Army. The Department of the Interior entered into no agreements or negotiations in the ultimate sale of the plants to private parties.

"Fact: The oil shale retorting and refining installations at Rifle, Colo., have been placed in standby condition and still are the property of the Government. Some of the shops and other facilities are being used in connection with a Bureau of Mines research program in mining shale and some of the dwellings are occupied by Bureau employees assigned to the experimental mining program which involves an expenditure of $1 million in fiscal 1956.

"No equipment, other than that damaged extensively by a roof fall at the experimental mine, has been sold.

"Fact: Zirconium-production facilities of the Bureau of Mines at Albany, Oreg., remain intact as property of the Government. No equipment has been sold. In fact, the Atomic Energy Commission and the Department have an agreement that the zirconium plant is to be maintained in such condition that it can be put into full-scale operation on 3 months' notice by AEC. Some of the equipment is being used by mines for special metallurgical research jobs. Most of the cost of building and equipping the zirconium plant was financed by AEC.

"Fact: As a pioneer in titanium research, the Bureau of Mines was requested by the Army Ordnance Corps to enlarge its facilities at Boulder City, Nev., in order to test improved equipment and techniques for recovering superior quality metal to be used in special Army ordnance military applications. This expansion was accomplished in 1952. All metal produced in research was used either by the Corps or for further experimental work at Boulder City. Although some commercial production was underway among several companies, the Defense Materials Procurement Administration decided output was not adequate and so requested the Bureau to step up its output at Boulder City. Between April 30, 1953, and September 7, 1954, the Boulder City pilot plant produced 246 tons of titanium, all of which went to the General Services Administration. This production supplemented but did not compete with private industry.

"As industrial output gained, the Bureau ceased large-scale output and now uses the Boulder City facilities in research aimed at improving metallurgical methods. This work is being done under a cooperative agreement with an industrial firm which contributes funds to defray costs and agrees that any resulting patents shall be assigned the Government and made available to industry as a whole. No parts of the titanium production facilities at Boulder City have been sold or given to private industry.

"In the Bureau of Mines laboratories, work continues on the improvement of present industrial processes and on development of new and improved methods for recovering superior quality titanium metal.

"Fact: Helium production: No helium plants have been closed under this administration; in fact, the Department has au-

thorized an additional plant for 1956. No helium-producing equipment has been sold or given away. The Department's Bureau of Mines remains the sole producer of helium on a commercial scale in the United States.

"Charge: Coal-mine safety regulations have been given away to the States for supervision.

"Fact: The Federal Coal Mine Safety Act, as approved by the Congress in 1952, has been administered by the Bureau of Mines of the Department in strict accordance with that law. No provisions of the Federal law have been turned over to any State for enforcement. No State inspection has replaced Federal inspection of any coal mine. The Bureau of Mines survey team recommended a stronger safety training program by the Bureau. That suggestion has been put into effect. The survey team recommended strengthening of health and safety activities and separating them from the Bureau's regional setup so Federal inspection and related work would be strengthened. That recommendation was adopted. The team suggested a 24-hour advance notice of the Federal inspection of a mine. That proposal was rejected by the Department.

"Charge: The Government's $35 million Louisiana, Mo., synthetic fuels plant was sold for $5 million to private interests—a return of 25 cents on the dollar.

"Fact: The Bureau of Mines of the Department, as authorized by the Congress, invested $14,852,130.76 in the two coal-to-oil demonstration plants at Louisiana, Mo. The coal hydrogenation plant ($10,438,880.76) began operating first and proved the feasibility of large-scale production of synthetic gasoline and other valuable products from representative American coals. The gas synthesis plant ($4,413,250), incorporating many refinements over processes developed by the Germans, made several successful runs. At this point, the Department felt that the neccessary information that could be gained from the installations had been obtained and that the benefits of further operations would not be commensurate with the $10,000-a-day operating costs at Louisiana, Mo. Less costly research on specific phases of the various steps in synthetic liquid fuels studies were assigned to laboratories at Morgantown, W. Va., and Bruceton, Pa.

"In taking over the former Missouri Ordnance Works from the Army, the Department got a headstart in that, without exchange of funds, it obtained many basic facilities, including roads, buildings, compressors, and a tremendous array of machinery. When it left Louisiana, Mo., those facilities were several years older and consequently less valuable. The demonstration plants also were in used condition and many of the devices were custom made for making synthetic fuels and nothing else. These facts notwithstanding, the Department entered into no negotiations whatsoever in connection with the ultimate sale of the various facilities to private industry.

"Charge: The Government's $16 million Rifle, Colo., oil shale plant has been shut down as not feasible on a commercial scale, although it had worked its cost of producing gasoline down to 13 cents a gallon (against an 11-cent price at a petroleum refinery), and only a token amount of work on mining techniques continues. Meanwhile Union Oil Co., of California, is spending large sums on its own oil shale process.

"Fact: The oil shale plant at Rifle was shut down after a roof fall in the experimental oil shale mine February 28, 1955, cut off the supply of oil shale and showed that the mining method then used needs revision. The investment in equipment, installation costs, and real estate to June 30, 1955, was about $6 million. The plant was put in standby condition when the Congress trimmed the Department's request for funds for Rifle from $1.25 million to $1 million and restricted work to be done there during fiscal year 1956 to mining studies. The estimate of a 2-cent cost spread between gasoline from shale oil and that from petroleum was based on extremely low mining costs, which could be attained in commercial operations by the method used before the roof fall. As mining the shale makes up about one-third the cost of crude shale oil, development of a revised mining system that will be safe and about as inexpensive as that formerly used is the key to early commercial production of shale oil products. The Department is pressing vigorously its studies designed to develop such a revised system.

"Union Oil Co. of California, which owns large oil shale deposits near Grand Valley, Colo., reportedly is confining its studies to retorting oil shale and refining shale oil. It intends to mine enough shale for its experimental work by opencut methods, but only a minute fraction of the Nation's—or that company's—oil shale reserves can be mined by such methods. When an oil shale industry is established, virtually all of the shale used must come from underground mines.

"None of the Bureau of Mines retorting equipment at Rifle has been sold. Some mining equipment, badly damaged by the roof fall in the experimental mine, is being sold and new mining machinery is being purchased.

"Charge: The Government's multimillion dollar zirconium-producing plant at Albany, Oreg., was shut down last June, dismantled, and put in standby condition.

"Fact: At the request of the AEC, the zirconium plant of the Bureau of Mines was put in standby condition last summer. Part of the equipment was disassembled for cleaning and was put in mothballs to prevent deterioration. However, the Bureau has agreed with AEC to maintain the plant in such condition that it can be reactivated on short notice. The United States has only one large commercial producer of reactor-grade zirconium (a special type of zirconium), but there are several producers of lesser-grade zirconium. There is some doubt whether existing commercial facilities for making reactor-grade zirconium will be able to meet coming demands. In that case, the Bureau of Ships or the AEC probably will ask the Bureau of Mines to go back into production.

"The Bureau of Mines has not given or sold to private industry any of its zirconium equipment. It has made available to industry valuable technical facts regarding the making of zirconium. When the zirconium plant at Albany went into standby condition, about 70 Bureau of Mines employees were laid off. It can be assumed that some of them did obtain positions with commercial zirconium producers.

"Charge: The Department of the Interior has created a new office of education to help States get back to doing their coal mine inspecting.

"Fact: Educational activities of the Bureau of Mines have been strengthened in recent months, but not for the purpose of transferring Federal inspections of coal mines to the States. A revitalized safety program includes accident-prevention classes conducted among workers and supervisors. It is intensification of work that began in 1947. Thus far, about 150,000 employees have completed the accident-prevention course. Some 140 mines have completed 100-percent training. This means that every employee and every supervisor at nearly 150 mines has completed the Government's accident-prevention courses.

"Charge: The Bureau of Mines survey team recommended that the Government get out of the helium-production business.

"Fact: This is true, but the suggestion was not adopted by the Department. In a letter dated May 10, 1955, Secretary McKay wrote the Honorable WILLIAM L. DAWSON, chairman, House Committee on Government Operations:

" 'The Department was hesitant to divest itself of the helium activity without giving intensive consideration to this subject; to assist it in reaching sound conclusions on so important an issue, the Department arranged for an independent study of the whole helium program and operations thereunder. The study was made under contract with Stone & Webster Engineering Corp. * * *

" 'As a result of our own deliberation and the findings of the Stone & Wester report, we have reached the conclusion that the Bureau of Mines should continue its helium-production program. Therefore, and since it was well established that current helium production was insufficient to meet prospective defense demands, the Department sought and obtained an appropriation of $6 million for additional helium-production capacity. Construction of additional facilities is now well underway.' "

"FACTS AND ALLEGATIONS CONCERNING HELIUM

"Charge: That Republican Congressmen HOFFMAN and MCCARTHY introduced—presumably at the administration's behest—identical bills to give the Secretary of the Interior the right to dispose of the Government's helium properties.

"Fact: These bills were introduced, at the Interior Department's request, to restore powers the Secretary of the Interior had possessed for more than 25 years under the original Helium Act of 1925. A clause in this act gave the Secretary of the Interior the right to dispose of wells, lands, or interests therein 'not valuable for helium production' and to dispose of oil, gas, and byproducts of helium operations 'not needed for Government use.'

"This clause was removed from the Helium Act in 1951, when Congress passed legislation (Public Law 247, 82d Cong.), aimed at repealing Government property laws that seemed to conflict with the Federal Property Administrative Services Act of 1949 (Public Law 152, 81st Cong.), which placed authority to dispose of all Government surplus property within the General Services Administration.

"The Interior Department found that this action crippled it in performing its duties under the Helium Act, because:

"1. Helium production facilities and other property utilized in the helium operation are not surplus within the meaning of Public Law 152. They are essential to the Bureau of Mines in its integrated program for conserving, producing, and selling helium gas.

"2. The Bureau of Mines receives no funds directly from Congress for maintaining and operating helium plants. The entire activity of producing or purchasing helium-bearing natural gas, delivering it to the plants, extracting the helium, and disposing of residue gases must be financed from money received as payments for helium, related services, and other products of the operation.

"Recognizing this, the original Helium Act provided that such money should be credited to a helium-production fund. This fund is used to finance the cost of producing helium.

"For example, the Bureau is disposing of the condensate, similar to a light oil, which is produced during the processing of helium-bearing natural gas at the Navajo, Ariz., helium plant. Removal of this condensate is necessary to prevent fouling of plant equipment.

"However, removing the condensate and preparing it for sale entail considerable expense and trouble. The condensate itself is not needed by the Bureau, but the money received from its sale is needed to offset the cost of producing it as an incidental part of the helium operation. Under the Helium

Act, the Secretary of the Interior can sell the condensate and turn the money received into the helium-production fund.

"Amendment of the Helium Act by Public Law 247 removed the Secretary's authority to sell such byproducts. Therefore, the Bureau would have to charge its loss in producing these products to the cost of producing helium.

"When the Interior Department explained its reasons for wishing the disposal clause restored, GSA officials agreed, but requested that the phrases 'not valuable for helium production' and 'not needed for Government use' be omitted since they might be construed to mean that property so described was surplus and as such should be disposed of by GSA.

"Although the Department of the Interior had no objection to this request, Congress insisted that the clause be restored in its original language."

"OIL AND GAS LEASING IN WILDLIFE REFUGES

"On December 2, 1955, Secretary of the Interior Douglas McKay announced new regulations governing oil and gas leasing on wildlife refuges. These regulations give a great deal more protection to the propagation of wildlife than those formerly in force.

"The new regulations have been misinterpreted. The facts regarding the most serious of these misinterpretations are set forth below:

"1. Do the new regulations permit oil and gas leasing on national wildlife refuges for the first time?

"Lands within national wildlife refuges have been subject to oil and gas leasing since the passage of the original Mineral Leasing Act of February 25, 1920 (41 Stat. 437). The authority for such leasing was reaffirmed by the act of August 8, 1946 (60 Stat. 950), which amended the Mineral Leasing Act of 1920. In 1947 Department of the Interior regulations were issued which defined conditions under which the leasing would be permitted. Oil and gas leases embracing lands located in several national wildlife refuges were issued under the authority of these clearly defined laws and regulations prior to 1953.

"However, within a few months after Mr. McKay became Secretary of the Interior, he decided that existing regulations did not provide adequate safeguards for the refuges. On August 31, 1953, he suspended the old regulations until such time as his Department could formulate new rules which would guarantee maximum protection for wildlife values. While the old regulations were suspended no leasing was permitted except in cases where it was necessary for the Government to protect itself from oil drainage or where possible damage to wildlife values was not involved. An example of the latter category is the Railroad Valley National Wildlife Refuge in Nevada where only a small percentage of the 140,000-acre refuge is used exclusively in the protection and propagation of wild waterfowl.

"During the more than 2 years between August 31, 1953, and December 2, 1955, the old regulations were given a thorough review by the Department of the Interior, specialists from its Fish and Wildlife Service and Bureau of Land Management, its Solicitor and the Secretary's Advisory Committee on Conservation. The new regulations embody the corrective measures that were recommended and agreed upon as a result of this study.

"The most noteworthy provision in the new regulations is one which gives the Fish and Wildlife Service and its career technicians absolute authority over where, when, how, and by whom drilling will be permitted on the refuges.

"Another significant revision makes refuges which provide habitat for rare and endangered species absolutely inviolate for the first time in history.

"It is obvious, therefore, that the new regulations provide much more stringent limitations than the regulations in existence when this administration took office.

"2. What is the legal authority for the leasing?

"The legal authority for the issuance of oil and gas leases on national wildlife refuges is set forth in detail in the laws cited above. The confusion surrounding this aspect of the new regulations has been generated by those who have mistakenly contended that the same laws which apply to prospecting permits for fissionable materials also apply to oil and gas. This is not the case.

"3. Do the regulations provide adequate safeguards for wildlife values?

"As stated above, the purpose of Secretary McKay's 1953 stop order was to arrest a situation that obviously was inimical to the primary purpose of refuges—the protection and propagation of wildlife. The new regulations correct these deficiencies inherent in the old regulations by carefully spelling out the conditions, and on what refuges, oil and gas leasing is permitted.

"It is significant that these regulations have the wholehearted endorsement of career specialists in the Fish and Wildlife Service and the approval of the Secretary's Advisory Committee on Conservation. Those who have the responsibility for protection of our wildlife feel that the new regulations are the means by which that protection can be insured.

"4. Are the regulations in accord with the intent of Congress?

"The assertion, that oil and gas leasing on the national wildlife refuges is a violation of the intent of Congress is an error in fact. The laws mentioned above, which were enacted by Congress, are irrefutable proof that it has been the sense of Congress that these refuge lands should be subject to multiple use, including oil and gas leasing. The Department of the Interior is bound by the law. Any argument about the philosophy of permitting oil and gas drilling on the refuges is irrelevant. The Secretary of the Interior has no alternative but to abide by the provisions of the laws that apply to the functions of Government under his jurisdiction. The most that can be done is to make the regulations implementing these laws as stringent as possible. This has been done by Secretary McKay.

"5. Have leases issued under the regulations returned the full amount due the Government in royalties and rental fees?

"Only those persons who are unfamiliar with the law will argue that the Government is not getting its just rental and royalty fees from the leases issued under the revised code. Because these leases were issued on lands defined by the Geological Survey as not being on a known structure of a gas and oil field, they had to be granted on a noncompetitive basis. The act of August 7, 1947 (61 Stat. 913) is explicit on this matter. This act also prescribes the royalty to be charged in noncompetitive leases: to wit, 12½ percent, the amount stipulated in the so-called Frankfort leases. The rental fees of 50 cents per acre are also set by the law."

Mr. GOLDWATER. Mr. President, I also ask unanimous consent that a portion of a statement I released to the press January 19, 1956, commenting on the usual inaccuracies of Mr. Drew Pearson, as he attacked Douglas McKay, be printed in the RECORD.

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

THE IMPORTANCE OF ACCURATE NEWSPAPER REPORTING, BY SENATOR BARRY GOLDWATER, OF ARIZONA, JANUARY 19, 1956

Let me, Mr. President, refer to recent examples of good and bad reporting on a subject which has found a place on the pages of the newspapers of our country. On September 29, 1955, Drew Pearson made charges in his column against Representative Harris Ellsworth, of Oregon, and Secretary of the Interior Douglas McKay. The Eugene Register-Guard, acting as a newspaper should, assigned a reporter to the task of ferreting out the charges and to determine whether they were true. Here is what the editor of that responsible newspaper said:

"If these charges are true, both Ellsworth and McKay ought to be run out of public life. If they are not true, McKay and Ellsworth are entitled to protection against a vicious slander. In any case, the people of the Fourth District, especially those who read the Register-Guard, are entitled to every bit of factual information we can get, so that they may judge."

After thorough, complete, and unbiased investigation by the reporter assigned, here is what the editor of that newspaper concluded—and I quote further from the editorial:

"In our opinion, no grand jury in the world would indict nor would any trial jury convict on the kind of faulty evidence (inferential hogwash) presented by Columnist Pearson. We have such a distaste for reporters who slant news or distort facts that we do not want to impugn Mr. Pearson's motives.

"INJUSTICE IS INJUSTICE, HOWEVER INTENDED

"We will say that whatever Columnist Pearson's reasons for this assault on Ellsworth and McKay, he has done a thoroughly bad job of reporting, and one which works a grave injustice on the people accused."

Mr. President, I do not intend to comment on the customary inaccuracy of Mr. Pearson. In my opinion the Eugene Register-Guard represents the great majority of the press who take their responsibility seriously.

Mr. GOLDWATER. Mr. President, I wish to close this short commentary by advising the editorial writers of this newspaper, if they want to accept my advice, which I do not think they do, they should be a little more careful in what they say. There has never been one proved charge against Douglas McKay or this administration of a giveaway in the Department of the Interior.

Mr. President, I think it is in ill taste for any newspaper in this country so to charge a man who cannot defend himself, when time and again during his life he successfully defended himself and his administration against the same type of charge.

BLUEPRINT TO SAVE OUR RAILROADS—ARTICLE BY SENATOR SMATHERS

Mr. WILEY. Mr. President, in yesterday's This Week magazine there was published a very challenging article written by our associate in the Senate, the Senator from Florida [Mr. SMATHERS], entitled "Blueprint To Save Our Railroads."

In the article the Senator warns the country of a grave problem. Among other things, it is said that in some 6 or 7 years probably we will not be able to buy a railroad ticket, unless we do something about the situation.

I have traveled the railroads of late, and I appreciate fully the problem about which the Senator has written. I think it is one which requires real study by the best brains we have available, to see if we can come up with the answers.

I am not sure that all the suggestions made with regard to the problem should be followed, but they at least raise the issue, and I feel it is a matter the committee which has jurisdiction should thoroughly study, immediately.

After the recess or the adjourment of Congress the committee should get the best brains in America to study the problem, to see what are the answers. I am seriously concerned about the entire situation.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Is there objection to the request of the Senator from Wisconsin?

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

BLUEPRINT TO SAVE OUR RAILROADS

(By Senator GEORGE A. SMATHERS, of Florida, as told to Tony Simon)

(Senator SMATHERS (Florida), chairman of the Senate's Surface Transportation Subcommittee, is the author of the Transportation Act of 1958. Recently he has conducted hearings into the plight of our Nation's railroads.)

I'VE GOT A QUESTION

Question: "As a steady railroad commuter, I'm concerned about the fact that so many passenger lines are being shut down," writes Paul de Fur, of Norwalk, Conn. "Could you tell me if there is any solution in sight for this problem?"

We found that a lot of people share Mr. de Fur's concern about the current state of U.S. railroads, and many remedies have been proposed. The one presented here is from a Senator who has been studying railroad problems for many years and has come to the conclusion that we must take strong action soon. His plan rates careful consideration.

Answer: If mounting operating losses on passenger service continue at the present rate of $700 million a year, I would say that American passenger trains are indeed nearing the end of the line. Unless these losses are halted, passenger train service may grind to a stop by 1965.

Under the threat of such a collapse, the Federal Government would have to step in and take over the railroads. That would be a hard blow at our free enterprise system, and the cost of Government operation of a bankrupt transportation system could only lead to higher taxes. But obviously we cannot stand idly by and watch passenger service disappear entirely.

Fortunately, there is still time to prevent the complete breakdown of the last remaining rail system in the world—except the Canadian Pacific Railway—operating under free enterprise. I have a specific and workable proposal which I will outline later in this article.

But first, what is the major cause of railroads' present troubles? It is the astonishing waste which bleeds away millions of dollars each year. Even now, when some lines are threatening a sharp cutback in essential commuter services as a means of saving money, railroads are actually maintaining an estimated 12,000 miles of costly duplicate routes in the United States. Here are some startling examples:

Chicago to St. Paul: Three lines offer service on this 400-mile route—the Chicago, Burlington & Quincy; the Chicago, Milwaukee, St. Paul & Pacific; and the Chicago & North Western. They use different tracks, different freight yards, different repair shops, and different terminals—enormously expensive overlapping.

Indianapolis to St. Louis: The New York Central and the Pennsylvania run their trains over 250 miles of nearly parallel tracks. Here again is wasteful duplication of high-priced equipment

Chattanooga to Atlanta: The Louisville & Nashville and the Southern Railway operate tracks with are almost twin runs—and twin expenses—along much of the way.

Dunkirk, N.Y., to Buffalo: The Pennsylvania, New York Central, and Nickel Plate run on lines that are practically parallel. Here is a mass of duplicate tracks, yards, trains, locomotives.

Connellsville, Pa., to Sand Patch, Pa.: The Baltimore & Ohio and the Western Maryland cover side-by-side runs. Over one stretch both lines use the same track for several miles.

These examples point up a major reason why many of the Nation's 619 separate railroad companies are sick. It is absurd to have lines with parallel tracks and duplicate facilities compete for traffic which each railway carries at a loss.

The answer, I believe, is railroad consolidation. This one step could save railways $1 billion a year, as follows:

Four hundred million dollars in running stations, freight yards, terminals.

Three hundred million dollars in routing cars and switching trains from line to line.

Two hundred million dollars in making repairs and maintaining roundhouses.

One hundred million dollars in operating unnecessary parallel runs.

Just what is consolidation?

It's the teaming of railways—needlessly competing lines—to form a single rail system for each important region throughout the country.

As the map shows, I propose a division of the Nation's railways into four great regional networks. These four networks would cover the Northeast, the South, the Northwest, and the Southwest. Together, they would embrace the whole United States.

This plan can be brought about by actions to encourage regional consolidation, such as:

Congressional studies to demonstrate that railroad consolidations are consistent with public interest.

Tax concessions for regional railroads, possibly in the form of construction reserve provisions.

A new look at Interstate Commerce Commission regulations in the light of broad consolidation programs.

Consolidations, I am convinced, would result in:

1. Better service to the public—both for the long-distance traveler and the long-suffering commuter.

2. Greater security in jobs provided by the railroads. (Railroad jobs have been shrinking at the rate of 4,000 per month.)

3. A stronger transport network for the Nation's defense.

4. A chance for passenger railways to make some money again—and to improve their methods.

The system has worked in the past. Every major U.S. railroad is the product of consolidation of many smaller railway companies, operating separately and sometimes in competition with one another. The Pennsylvania, for example, is actually a consolidation of about 600 smaller lines.

Much of the railways' financial plight stems from hauling too little freight over too many duplicate routes. Railways carry less than 50 percent of the Nation's freight, a drop in recent years of 25 percent. Consolidation would increase the freight profits that help cushion commuter losses.

Outmoded practices and vigorous carrier competition—planes, buses, trucks, boats, pipelines—slash into rail income. Railways need to become just as enterprising and alert as the competition. Consolidation would help meet this challenge.

To be sure, there is no one solution for a transportation problem that has been building up for 30 years or more. A regional railroad system, however, will produce a rail network for troubled lines that is more efficient and less costly than what we have today. And Government funds are not required to launch or to advance consolidation.

Would consolidation destroy healthy competition among railways, resulting in poorer service? My answer is an emphatic "No" for these two reasons:

First, the day when railway giants monopolized transportation is long dead. Railways are caught up in vigorous and aggressive carrier competition with trucks, planes, buses, and boats. And the private family car, of course, is the greatest rival for passenger revenue.

Second, railways would still remain under ICC regulation—which includes setting ticket prices. Without Government permission, our railways cannot raise or lower rates by even 1 cent.

Some major lines already have or are considering merger plans. To name a few:

The Atlantic Coastline and the Seaboard Air Line.

The Erie and the Delaware, Lackawanna & Western.

The Northern Pacific; the Great Northern; the Chicago, Burlington & Quincy; the Spokane, Portland & Seattle.

The Norfolk & Western, and the Virginian.

Five of the main New England railroads: the Bangor & Aroostook, the Boston & Maine, the Maine Central, the New Haven, and the Rutland Railway.

These proposed scattered mergers are a step in the right direction. Consolidation of our railways over a whole region would go much further.

It would put an end to widespread waste and duplication.

It would strengthen rail finances and pave the way for relief for exasperated commuters.

The commuter problem will not directly be solved by such a system, however. This is an essentially local one, for each commuting area has conditions peculiar to itself. But consolidated is certain to rescue railroads tottering on the brink of financial catastrophe. Then they will be in a solid position to tackle the thorny commuter problem and find solutions.

Consolidation, in a word, will keep rail passenger trains from becoming museum pieces. Remember this. If the Government takes over operation of the railroads, you and I will be paying to run the trains, whether we ride on them or not.

DEBATE BETWEEN VICE PRESIDENT NIXON AND KHRUSHCHEV

Mr. MUNDT. Mr. President, during the past weekend the American people were privileged to witness a most remarkable debate over their television

sets. Through the ingenuity and excellence of American scientific research, we were able to view the historic exchange within a few hours after Vice President NIXON and Soviet Premier Khrushchev concluded their discussion which has captured world attention.

During the course of their debate, Mr. Khrushchev repeatedly asked if Americans would be able to hear his words exactly as they were given. Our Vice President promised Mr. Khrushchev that the American people would have the opportunity to hear this memorable exchange. Never has a promise been more fully kept.

Repeatedly this debate was carried over the television networks and their stations during the last weekend. Press and radio coverage have supplemented the film reports with extensive on-the-spot stories, supplemented by editorial and commentator analysis.

Now this question arises: Will Mr. Khrushchev keep his end of the bargain? Will Mr. Khrushchev comply with Mr. NIXON's request that the debate be given the same type of coverage in Russia? Will the Russian people have the opportunity to witness this important discussion, as the American public has been given the opportunity to see it, hear it, and read it?

Vice President NIXON has kept his promise. Now it is up to Mr. Khrushchev to keep his. In discussing this important subject I cannot refrain from commenting on Mr. NIXON's role in this exchange. This morning and yesterday I heard a few fainthearted criticisms of Mr. NIXON's part in this debate, with the criticism that he should not have gotten into the argument with the Russian Premier.

It seems to me that in view of the manner in which this electrifying exchange of views took place, it would have been utterly inconceivable for our Vice President merely to stand by and not to answer the questions of Mr. Khrushchev. In my opinion Mr. NIXON represented America appropriately and effectively by the spirited remarks he made to Mr. Khrushchev. In fact, Mr. NIXON followed precisely the form of behavior in Russia which I personally recommended to the nine Governors of American States during a talk at the Cosmos Club, in the presence of Ambassador Menshikov when a luncheon was given there prior to the departure of the Governors for Russia.

It must be remembered that Vice President NIXON was formally opening the American exhibit in Russia. He did not start the argument. It was Mr. Khrushchev who launched into a lengthy discussion, and made the argumentative statements. I do not believe the American people would have approved silence, or abject appeasement on the part of the Vice President in answer to the statements of the Russian leader.

I am happy to state that in my opinion there are not many members of the Chamberlain Umbrella Brigade in the United States, so far as Russia and its Communist leaders are concerned. I am convinced that the American people overwhelmingly endorse DICK NIXON's role in this remarkable forensic exchange. I believe that if circumstances should arise which again call for an answer by Mr. NIXON in discussions with Mr. Khrushchev, the American people will want the Vice President to do exactly as he did in the first instance, and they will expect him to speak out in Russia courageously and candidly, without waiting until he has left that area to make his comments.

I am happy to note that the distinguished assistant majority leader [Mr. MANSFIELD], who has just entered the Chamber, is reported over the weekend as approving and saluting the behavior and achievements of the Vice President in connection with this incident in Moscow.

It is becoming increasingly clear that Mr. NIXON is getting through more and more to the people behind the Iron Curtain with the fact that the United States is both firm and friendly, and that our crusade for permanent peace is also determined and dedicated.

It is encouraging to read in the morning newspapers that during the weekend conferences in the Russian dacha where the Khrushchevs, the Nixons, and other members of the visiting American delegation visited over the weekend, they renewed in private the frank and candid discussions, a preview of which was given in public as they toured the American exhibit.

It is encouraging to note that Mr. Khrushchev and Vice President NIXON have agreed on an account by the press as to what transpired, both at the exhibit and at the private conferences.

It is good for these important leaders to get together and discuss, man to man, the areas of difference. It is hoped that they will be able to develop areas of accommodation and understanding which will tend to hold the lines for peace. We should have learned by now that, as free men, we do not develop areas of understanding by running away from a foe, or by retiring, receding, backing down, or appeasing, kneeling on the rug, and going home with one's umbrella folded, like another Chamberlain.

So I salute the Vice President on the remarkable achievement he has made thus far in his mission to Moscow. It augurs well for continuing peace.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "NIXON in Russia: The Vice President Has Held His Own in Verbal Clashing With Mr. Khrushchev," written by Alan L. Otten, an eyewitness to the Moscow debate, which is published in the Wall Street Journal of July 27, 1959.

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

NIXON IN RUSSIA: THE VICE PRESIDENT HAS HELD HIS OWN IN VERBAL CLASHING WITH MR. KHRUSHCHEV

(By Alan L. Otten)

MOSCOW.—Premier Khrushchev is discovering the same thing some people in the United States have: Vice President NIXON can be a tough customer in a debate—one who seldom gives anything away to an opponent, and who often has the last word.

Mr. Khrushchev is pretty good in a rough-and-tumble argument also. But the Vice President has held his own, in the almost unanimous opinion of U.S. officials and reporters accompanying him on his tour of Russia.

In his speeches, in his well-reported verbal sparring matches with Khrushchev, and undoubtedly in his long private talk with the Soviet Premier at the latter's suburban dacha yesterday, NIXON spoke diplomatically, politely, and with almost unfailing good humor. But he also spoke most firmly.

Over and over, he reaffirmed the American desire for peace but warned against pushing America too far. Over and over he countered Russian demands for a Berlin settlement and an ending of American military bases overseas with a demand for serious negotiation at Geneva and a freer exchange of ideas.

State Department officials in Washington believe Khrushchev thinks he is stronger than he really is, that he feels the United States will kowtow and yield. NIXON, as the highest ranking American to visit Russia since the revolution and as the highest ranking American Khrushchev has met since the Geneva Summit Conference in the summer of 1955, was to put the record straight. He was to convince the Russians of our firmness and determination to stand fast on our present policies on Berlin, on military bases, and other controversial issues. And he was to warn Khrushchev against overconfidence.

SETS THE TONE

NIXON set the tone at the airport on his arrival, and plugged steadily from then on. There he told First Deputy Premier Frol Kozlov and others on hand to greet him that "in view of the destructive power of modern weapons, we know that if there is another war there will be no victors, only losers. For the first time since the dawn of civilization we have reached the point where we must either learn to live together or we will die together."

Opening the American National Exhibition in Sokolniki Park, he warned that "the nation which starts a war today will destroy itself. Completely apart from any retaliatory action which might be taken by a nation which is attacked, the deadly dust from radioactive bombs used in an attack will be carried by the winds back to the homeland of the aggressor.

"With both of our great nations holding this terrible power in our hands, neither must ever put the other in a position where he has no choice but to fight or surrender. No nation in the world today is strong enough to issue an ultimatum to another to fight or surrender. No nation in the world today is strong enough to issue an ultimatum to another without running the risk of self-destruction."

And in between those two formal addresses were all the pointed remarks of the now famous "summit in the kitchen" meeting—the debate he and Khrushchev staged before a mob of reporters in the very unlikely setting of the kitchen of the fair's model house.

NIXON has studied up for his meetings with Khrushchev in long days of briefings at the State Department before he left Washington. But he had expected the Soviet Premier would wait for yesterday's talk at his dacha to get down to business. Instead, Khrushchev bored in as soon as NIXON paid his formal call Friday morning at the Kremlin.

By the time they got to the fair for the informal tour in the late morning, NIXON had regained his composure and tried to keep things on a diplomatic, noncontroversial tack. But when they stopped in at the color television studio and Khrushchev saw the audience of admiring Russian fair workers around him, the Premier apparently

couldn't hold back and took the attack again. Most reporters felt that there the Russian had the best of things, since he was practicing no constraint in his remarks while NIXON was still trying to be light and relaxed.

But when they got to the kitchen just a few minutes later, the Vice President had had enough. His back was up. From then on, still politely but firmly, he gave as well as he took. He traded Khrushchev feint for feint and hard right for hard right in an unforgettable 45-minute sparring match. Then and in later encounters with Khrushchev and other Soviet officials, each time a Russion said "end military bases," NIXON snapped back with a warning against threatening too far; and each time a Russian called for trade, NIXON called for a freer exchange of ideas.

JABS BACK

When Khrushchev, at the kitchen summit, criticized American houses, saying they were too expensive and not built to last more than 20 years so the capitalists could sell another house in 20 years, NIXON jabbed back that "we do not want to have one decision made at the top by one Government official saying all the houses will be built this way."

When the Premier started an allegory criticizing the Americans and asked NIXON not to be offended, the Vice President assured Khrushchev not worry—"I have been insulted by experts." When Khrushchev kept on talking while NIXON tried to get a word in, NIXON, on finally getting the floor, declared that "if you were in our Senate we would call you a filibuster. You do all the talking and do not let anyone else talk."

The Premier's boasts of Soviet strength were met by this NIXON blow: "Both powers are strong. To argue in this day and age you are stronger or that we are stronger completely misses the point. With modern weapons it does not make any difference. If a war comes, we've both had it."

That evening, after the formal opening of the fair, when NIXON and Khrushchev stopped for goodbye toasts they battled again. The Premier proposed a toast to the elimination of foreign bases. NIXON refused that one and countered with a toast to peace. When Khrushchev said there could not be peace when Russia was surrounded by military bases and that NIXON could either drink to the elimination of bases or Khrushchev would not repeat the toast, NIXON charged the Soviet official did not like the wine. Eventually they ended on NIXON's motion to go on talking "for as long as we are talking we are not fighting."

Still later NIXON scored heavily when the Soviet worker pouring the wine proposed a toast of "100 years of life for Khrushchev."

COUNTERS TOAST

When NIXON agreed to that toast Khrushchev said, "We accept your 100-year proposal, but when I reach 99 we will discuss it further. Why should there be haste?" To which NIXON replied, "You mean in 99 years you still will be in power—no elections?"

NIXON not only refused to take it from Khrushchev but from any other Soviet officials. The Soviet minister of agriculture during a toast at the official luncheon at the Soviet exposition visit complained that the American resolution on Captive Nations Week hurt the atmosphere for the NIXON visit to Russia. NIXON replied that this sort of thing was inevitable during visits, and noted that "when Kozlov was in California recently he was talking peace but Khrushchev was, at the same time, in Poland making a speech very unkind to the United States."

The Vice President's tour still has a way to go, and, the way he and Khrushchev have been going at things, further sharp words can be expected. Whatever else may result from the exchanges, thus far Mr. Khrushchev must have the impression of facing an opponent who is also quick and tough.

THE AMERICAN EXHIBIT IN MOSCOW, AND THE VISIT TO RUSSIA BY VICE PRESIDENT NIXON

Mr. SCOTT. Mr. President, in the New York Times of July 26 and 27, 1959, there appeared articles written by James Reston regarding the American exhibit in the Moscow fair and the visit to Russia by Vice President NIXON. An editorial appeared in the Pittsburgh Press of July 25, 1959, regarding conditions in Russia. I ask that the articles and the editorial be printed at this point in the RECORD.

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

[From the New York Times, July 26, 1959]

MOSCOW: THE CLASSLESS SOCIETY REVISITED

(By James Reston)

Moscow, July 25.—The American exhibition is the greatest foreign invasion to reach Moscow since Napoleon. A resourceful ticket scalper, or even a deviationist cop on a lonely stretch of fence, could quickly make himself a fortune, and the reason is fairly clear.

The demand is enormous, and the supply is carefully regulated, for this is the most class-ridden classless society in history. Even tickets are a monopoly of the state—tickets to the American fair as well as to almost everything else—and they are doled out to the faithful, starting with Khrushchev and working down through the politbureau to the champion lady bricklayer of Novosibirsk.

Everybody is equal, of course, but some are "equaler" than others. If you are in the political or intellectual hierarchy, for example, you ride around in a Zis, which is a big, black 1939 Packard, with silk curtains and a running board.

THE ORDER OF THE ZIS

Members of the order of the Zis can drive in the white-lined center of the street, which is off limits to trucks, visiting Cadillacs, or even minor league officials who have to drive around in Zims or Pobedas.

But even the order of the Zis is divided into three classes: Khrushchev is a two-Zis man, with a hardtop for weekdays and a convertible for going to his dacha on Sundays. There is a special group of officials in the Zis class who have bright yellow fog lights on their cars to warn policemen, militia, and other comrades to stay out of the way. Then, of course, there are the Zis regulars, with silk curtains, but no fog lights.

RIDE HARD OR SOFT

In this classless society, all comrades do not ride together on trains in equal discomfort. You can ride hard or soft depending on your station in life and your finances. Altogether there are five different fare rates on the trains; if, for example, you are rich or influential and in love, you can even hire yourself a soft compartment for two.

At diplomatic receptions segregation is the rule. Lofty officials and ambassadors are in one part of the room, separated by two long tables and a couple of well-dressed cops from the lower diplomatic orders and visiting firemen.

On the housing front, status is again the arbiter of selection. A big official, a good musician, a scientist, or engineer cannot only get the use of a large apartment but even buy a dacha of his own with the privilege of passing it on to his children.

THE NEW SKYLINE

The apartment building program in Moscow is spectacular. A visitor returning after less than 2 years sees a marked change in the whole skyline, so great has been the increase in the building program along the Lenin Hills.

Nevertheless, so many newcomers have come in from the country that the average per capita housing space in the city today is only 7½ square meters, whereas it was 8½ in 1917, the year of the Soviet revolution.

It is all very peculiar. Premier Khrushchev at the American fair this week upbraided the Americans for their inequality, their indifference to need, their housing, and emphasis on unnecessary material gadgets. And he wound up with his favorite boast that the Soviet Union will catch up with the United States in 7 years and eventually wave to us from on top.

Maybe so. They have undoubtedly made progress in ways unthinkable to their ideological saints, but they have a long way to go.

[From the New York Times, July 27, 1959]

NIXON VISIT ASSESSED—ADVANTAGES OF FIRST PHASE OF SOVIET TRIP FOUND TO OUTNUMBER THE DISADVANTAGES

(By James Reston)

Moscow, July 26.—The first Moscow phase of Vice President RICHARD M. NIXON's visit to the Soviet Union, which ended today, has gone fairly well. It was neither a triumph nor a failure, but the advantages have clearly outnumbered the disadvantages.

Mr. NIXON came here, not to settle the Berlin crisis, but to open the American National Exhibition and learn something about the Soviet Union. He has done both.

In the ceremonial and social aspect of his mission he has been successful. He has been friendly. He has made a good impression on the crowds, which are accustomed to older leaders and seemed surprised and pleased by his youth and his obvious desire to learn more about their country.

In the infighting with Premier Nikita S. Khrushchev, he has shown neither greater depth of knowledge nor argument. He has relied on stock arguments and even phrases, but he has been dogged if not brilliant.

NO EFFORT AT SUBTLETY

In propaganda terms, the Vice President has made no effort to be subtle. This was a controversial point within the U.S. Government. Some officials thought the American exhibition was the best propaganda and should be allowed to speak for itself. Others thought he should openly recognize the Soviet objections to our society and political system and answer them directly. He chose the latter approach.

Maybe this hampered the possibilities of negotiation with Mr. Khrushchev on the hard realities of a German settlement—we still do not know the details of what happened in their conversations today—but the experts on Soviet policy here do not think so.

They note that Prime Minister Harold Macmillan of Britain tried the subtle approach here and was rebuked, at least in the beginning, and they are inclined to believe that the way to speak here, if you are going to speak at all, is to speak out in good plain frontier language.

In support of this it was noted that the Soviet Premier went out of his way today to make clear that his two public arguments with the Vice President at the fair on Friday were all good clean fun, with no offense intended. Mr. NIXON agreed.

The main advantages of the visit so far, however, probably lie not in any new policy accommodation but in the modification of personal assumptions on both sides.

The Vice President came here fearing that Mr. Khrushchev was a wild man who should not be invited to the United States or to a summit meeting unless the Soviet Government withdrew a lot of provocative Khrushchev statements and modified its positions on Berlin and various other subjects.

Now he is not so sure. Even after a couple of tiffs with the Premier, and much more private talks with him than he thought he would have, Mr. NIXON was talking to both Mr. and Mme. Khrushchev last night at the U.S. Embassy about "when you come to the United States."

Apparently the reason for this reassessment is that the Vice President has not found a hopelessly rigid demagogue but a tough, free-wheeling politician who loves to talk big and provoke arguments, not only with a visitor but with the other Soviet members, who have taken part in most of the ceremonial and social occasions.

The Nixon visit to Moscow has certainly not removed the Soviet mystery, but at the same time it has not confirmed the Vice President's worst fears. He has always been fascinated by political tactics and Mr. Khrushchev's nature-boy approach to crowds and rough-and-tumble political debate have intrigued him.

The Vice President has always been interested, too, in security and in the theory of the late John Foster Dulles that the Soviet people were in a state of incipient revolt and would in time rise against their masters if only the Western powers remained strong and united.

What Mr. NIXON has found here these last days is Mr. Khrushchev walking around among friendly crowds with virtually no security arrangements visible; indeed, with far less protection than the Secret Service would tolerate for the President of the United States.

CROWDS REMAIN FRIENDLY

Perhaps more important, the Vice President has discovered that after almost a generation of constant anti-American propaganda from a state-controlled radio and press, the Soviet people remain friendly to visiting Americans and absolutely fascinated by the material blessings of American life.

This is the real significance of the American fair. It is helping along what the old-timers in the Moscow diplomatic corps regard as the most hopeful aspect of Soviet life. This is that the people are yearning for larger benefits from their hard work, that the Government is gradually showing some sympathy for this yearning and that the more this becomes true—so the theme runs—the less the Soviet Union can be expected to be adventuresome beyond its frontiers.

There have been some negative points. A new controversy arose today about the release in the United States of the television tape showing the Khrushchev-Nixon debate at the fair on Friday. The Russians say the film was released against their will and before an agreed translation had been completed.

They complain, too, that Mr. NIXON came here to argue ideology instead of to encourage a political accommodation.

Nevertheless, the visit has gone about as well as could be expected in the midst of wider United States-Soviet controversies, and it has provided Mr. NIXON with an excellent political platform even before the official opening of his campaign for the Presidency.

[From the Pittsburgh Press, July 25, 1959]

IF THE SHOE FITS

Angry Russian reaction to "Captive Nations Week" is further evidence they can dish it out but can't take it.

When they speak of starving Americans or picture Little Rock as typical of the United States, when they say the American people want peace but are misled by warmongering public officials—that's peaceful coexistence.

But when we presume to sympathize with the plight of the enslaved peoples of Central Europe, that's "blatant, arrogant interference in the internal affairs of free sovereign states."

Free sovereign states? Such as Latvia, Estonia and Lithuania, overrun by the Russians 19 years ago with hundreds of thousands of their citizens liquidated or deported?

Free sovereign states? Such as Hungary, held in bondage by Russian tanks; or Poland, invaded and carved up by agreement with Hitler in 1939; or East Germany, Rumania, Bulgaria, Albania?

Russian blasts at warmongering Americans can be laughed off because the whole world, including Russia, knows such charges aren't true. Similarly, Russian concern about social injustice in America. We do not claim to be perfect. But injustice here is not, as in the Russian captive nations, the result of deliberate acts of the Government.

The Russians, on this score, are understandably sensitive because their record of oppression, torture and extortion is plain.

The timing might be questioned on the resolution of Congress and President Eisenhower's proclamation fixing a week of prayer to coincide with Vice President NIXON's visit to Russia. But year-around prayer for these unfortunate peoples, regardless of coincidence, is amply in order.

Anyway, the Russians don't get righteously indignant on the spur of the moment. Obviously they had intended a rough reception for Mr. NIXON, offsetting the favorable impression an important American official might make on the Russian people. Any other pretext would have served just as well.

DEPARTMENT OF STATE VISA APPLICATION FORM FOR TRAVEL IN THE UNITED STATES

Mr. FULBRIGHT. Mr. President, the American Automobile Association has sent to me a letter from its president, to the Secretary of Commerce, regarding the campaign the administration is putting on, which is called Visit U.S.A. 1960. This is a very worthwhile campaign, of course; but I am disturbed by the number of deterrents to the travel in the United States by foreigners, which we, ourselves, have placed in the way, either due to legislation or by our policies.

One of these deterrents which the president of the American Automobile Association believes is quite serious is the long, complicated, and embarrassing questionnaire which people of other countries are asked to fill out before the U.S. Government will consider giving them permission to visit this country. I agree with the President of the Automobile Association that the effect of this questionnaire is to place the U.S. Government in the position of saying, in effect, "Come and see us, but only if you can answer satisfactorily a number of very searching questions concerning your financial, marital, and family status and can prove to us in advance that you are socially acceptable."

I am addressing to the Secretary of State a letter asking whether these very searching questions are really necessary.

Meanwhile it may be informative to my colleagues to place in the RECORD at this point a copy of the visa questionnaire and application for registration which prospective travelers in the United States must fill out. Mr. President, I ask unanimous consent that this document may be inserted in the RECORD at this point.

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

Form C-101
Rev. Oct. 1955

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

VISA QUESTIONNAIRE AND APPLICATION FOR REGISTRATION

If you will answer in detail all questions on this form and return it by mail to this office with a self-addressed stamped envelope you will be furnished specific information regarding the procedure to be followed in your case. All questions must be answered. If a question is not applicable, please so indicate.

Nonquota _____
Quota _____
Wife's quota _____
Pref. _____
No. of applicants _____

For office use only

When an entire family is applying, the husband should execute the questionnaire (Please print your answers in block letters).

1. Family name: (If married woman give married name) (Given name) (Initial)

2. Date and place of birth: (add: Department, Powiat, Kreis, Judetul, Megye, Okres, etc.)

3. Other names by which I have been known: (If married woman give maiden name)

4. Last permanent residence:

5. Address in the United States: (Street, city, State)

6. Name and address of person to whom destined, if any:

7. Name and address of nearest relative in home country:

8. Travel documents presented: (or passport)
Issued at: _____ Date issued: _____
Expires on: _____ Valid for travel to United States: Yes _____ No _____

9. Hair | 10. Eyes | 11. Height _____ Cm ____ Ft ____ In | 12. Weight _____ Kilos _____ Lbs | 13. Nationality | 14. Complexion | 15. Race | 16. Ethnic classification | 17. Sex ____ M ____ F | 18. Marital status at present time: _____ Married _____ Never married _____ Widowed _____ Divorced

19. Occupation:

20. Distinguishing marks:

21. Languages spoken, read, or written:

22. Intended United States port of entry:

23. Address of my final destination in U.S.:

24. I have (a) (no) through ticket to destination

25. Purpose of going to the United States:

26. Places of previous residence:

At the age of 14 years I was residing at: (City, Province, and Country)

I lived there until (Month and Year)	When I moved to (Street, Address, City, Province and Country)
I lived there until	When I moved to
I lived there until	When I moved to
I lived there until	When I moved to

(If more space is needed, attach a separate sheet)

27. Coregistrants (including spouse showing maiden name, and minor unmarried children)

(Check those accompanying you to the United States)

Name	Address	City, Province, country of birth (Refer to No. 2)	Date of birth

28. Name and address of father (If deceased, so state) (Give race)	29. Name and address of mother (If deceased, so state) (Give race and maiden name)

(If neither parent living give name and address of next of kin in the country from which you came)

30. Have you or any member of your family included in this application ever been: Arrested; convicted; in prison; in an almshouse; treated in an institution, hospital, or other place, for insanity or other mental disease?; the beneficiary of a pardon or amnesty? (If so, explain in detail)

31. Have you ever applied to any American consular office, either formally or informally, for a visa or other documentation as an immigrant or nonimmigrant? (If so, state when, where, and whether for immigrant or nonimmigrant visa)

32. Have you or any person included in this application ever been excluded, deported, or removed from the United States? (If so, explain in detail)

33. I intend to remain in the United States for the following period of time:	34. If you or any coregistrant were in the United States previously, give details below:		
	From (Month and year)	To (Month and year)	At (City and State)

35. Have you or any coregistrant ever been issued a passport other than as indicated in item number 8? (If so, give date of issue, to whom issued, government of issue and countries visited since 1939)

36. Are you or any coregistrant or have any of you ever been a member of the Communist Party or any Communist-affiliated organization? Yes ---- No ----

37. My name as it appears on my birth certificate is:	38. My present mailing address is:	39. My telephone number is:

40. At the time of your birth, were your parents permanent residents of the country in which you were born? Yes ---- No ----

41. Write yes or no to the following questions:

A. Has either of your parents had any mental illness? B. Do you have any serious physical defect? C. Did you ever serve in any armed force? D. Are you the spouse, brother, sister, son, daughter or parent of a U.S. citizen? E. Are you the spouse or child of an alien lawfully admitted for permanent residence? F. Have you or any coregistrant ever been refused a visa or denied admission to the U.S.?	Give details below or on separate page for each question answered yes.

42. My occupation in the United States will be:

43. My present monthly income is: $	44. My cash on deposit in the bank totals: $	45. My other assets are worth: $

46. If married will spouse and/or children apply with you for visas? Yes ------ No ------

47. Have you, or your spouse, or intended spouse, previously been married? Yes ------ No ------
If so, state when, where, and under what conditions such marriage or marriages were terminated

48. My wife has passport No.:	Issued by: (Country)	Expiring on: (Date)

49. My wife's passport includes the following persons:

50. Give the names and relationship of persons included in your passport.

51. List below the names of all parties, organizations, associations, societies, fraternal or political, of which you or any coregistrant are or have been a member, or with which you or any coregistrant are or have been affiliated with, including dates thereof and any position held in connection therewith. (If none, you must so state.)

52. References:

	Name	Street address	City and country
U.S.			
Foreign			

I certify that the answers to the foregoing questions are true and correct.

---------- (Date) ---------- (Signature of applicant)

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

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

ORDER DISPENSING WITH CALL OF THE CALENDAR

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

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

Mr. YOUNG of Ohio obtained the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator from Ohio losing the floor.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

COAL RESEARCH AND DEVELOPMENT COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 6596) to stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

FORCED CIVIL DEFENSE SHELTERS? REMINISCENT OF PROHIBITION ERA

Mr. YOUNG of Ohio. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, about a week ago I was greatly interested in viewing "Meet the Press." The distinguished Governor of the State of New York was the guest on the "Meet the Press" program, and I watched the entire program and listened carefully to his statements. I may say that the distinguished Governor of New York State, Nelson Rockefeller, made a fine impression on that television program. I have an observation to make, however, about a part of it.

Lawrence Spivak, conducting the program, asked, "Governor, at one time I believe you were for a national shelter program"—referring to civil defense. "What made you shift to a State program?"

After an answer to that, Mr. Spivak asked the Governor of New York, and his manner was one of being very incredulous and amazed, "As of now you are planning a law to compel people to erect civil defense shelters?"

Mr. President, in 1918 action was taken by force—by a constitutional amendment—to control the drinking habits of the American people. That was called prohibition. Later that was termed a "noble experiment" by President Hoover. The forced civil defense shelter program which the Governor of New York State is proposing for the citizens of New York may be another experiment noble in purpose, but the American people did not like the noble experiment which was termed "prohibition," nor will they, I believe, take kindlly to this latest noble experiment.

Americans, Mr. President, do not take kindly to drastic measures to force them to do something or abstain from doing something, particularly when there is no definite proof that the abstaining from doing something or being compelled to do something is of importance to their welfare and safety. It certainly has not been determined that forced construction of civil defense shelters is a necessity. I assert that forced construction of shallow civil defense shelters in backyards or cellars is an absurd and utterly worthless program.

For example, assuming that the State of New York has a population at present of 16 million, assuming that the State officials were successful in forcing the people of that State to erect 4 million shelters, at a cost of $500 each that would amount to a vast expenditure of $2 billion. At a cost of $250 each it would be $1 billion. If such an expenditure is forced upon taxpayers anywhere there would be no worthwhile result. Therefore, I hope no person in Ohio recommends such a waste of taxpayers' money.

Furthermore, as one who has gone to the city of New York on a few occasions, I have observed that over half of the people there live in apartment buildings. The Soviet Union has intercontinental ballistic missiles capable of traveling at the rate of 18,000 miles an hour which could strike a missile base or any target, including New York City, in this country in 18 or 20 minutes after the missile was fired from within the Soviet Union; or if a trigger happy submarine commander were to shoot a missile off our seacoast, it would be a matter of minutes. No civil defense official would have any warning or time then to notify our citizens.

Furthermore in a great catastrophe, if one were to be suffered, we may depend upon it that the Armed Forces of our country would disdain to take any advice or follow any leadership from any civilian wearing an armband.

Newsweek magazine published an article entitled "For New Yorkers: Compulsory Shelters," which shows a model to be put in a basement. Honestly if I had not seen it I could not believe such a program as suggested could be taken seriously.

I suppose that someone living on the 20th floor of an apartment building would probably, from the time the first warning is given, get down to about the 6th floor before an atomic warhead would explode, and, even should he survive, there would be a fallout in the neighborhood and throughout the entire area.

Mr. President, it is all right for New York State if the people of that State want to build shelters in basements and backyards. I can see that excavating contractors and workingmen would receive some money which they could put into circulation, and grocers and the big chainstores would sell a lot of groceries which would be stored for 2 weeks or 4 weeks, and that would put some more money into circulation. So I am not going to have high blood pressure or become excited because of what may or may not be done in New York State.

It seems that we go to ridiculous extremes in the matter of civil defense. About a year ago when there were plans for evacuation, many people were disturbed by sirens; in my home city of Cleveland, in Washington, D.C., and in other cities, civil defense officials were drawing pay from the Federal Government and State governments. Nothing was achieved by this; people were indifferent and disturbed; but the civil defense officials received the taxpayers' money.

Furthermore, the best thought nowadays is that evacuation is no good at all. Evacuation programs have done nothing more than inconvenience volunteer civil defense workers and the public generally.

We had the scheme of evacuating people from Cleveland toward Lorain, and from Lorain toward Cleveland, crowding the highways. In the evacuation scheme worked out here in Washington, D.C., about a year ago, the civil defense officers happily reported that Government officials and records were saved, but according to their theoretical estimates about half of the population of the District of Columbia was killed by the fallout and by the impact of the bomb.

Of course, Mr. President, were the Soviet Union to attack us with missiles carrying atomic warheads, the No. 1 target in this country would be our missile bases. Targets surely would not be State capitals and towns distant from missile bases and airfields. Yet the Civil Defense Agency spends millions in such areas, of course, this means more jobs for the bureaucrats.

It appears probable our ability to retaliate instantly by reason of our superiority of at least 3 to 1 over the Soviet Union in manned jet bombers would deter the Soviet Union from any attack on us.

But now civil defense advocates have gone to the extreme of advising shelters in backyards and in basements; and, Mr. President, although in Ohio a great deal of money, taxpayers' money, has been spent on civil defense; yet, according to a news item which I hold in my hand, Ohio's civil defense officials lack shelters in their own basements. Not one civil defense official in Ohio has erected a shelter in his own basement or backyard.

Now this stupid, foolish evacuation program has been abandoned. Its stupidity in Washington can be realized by noting at 4:30 or 5 o'clock every workday the immensity of the traffic, the highly congested traffic. Can you imagine, Mr. President, how futile and how foolish it is for the civil defense authorities to have a city like Columbus, Ohio, spend $600,000 to synchronize the traffic lights so in case of a bomb attack they are all green, as if you or I, Mr. President, in case of an atomic attack on Washington, would ever look at the traffic lights? We would probably run somewhere regardless of lights. Perhaps the best thing one could do would be to do nothing.

I remember in the Anzio-Nettuno beachhead when the shells came over and the shelling seemed heavier and generally disturbed us at mess we would hear the explosions and instinctively duck under the table. It did not do us any good, but that is something one does involuntarily.

Civil defense has been a hoax and a fraud upon the taxpayers of the United States. Now forced construction of air-raid shelters is proposed. If homeowners should be compelled to build air-raid shelters in their cellars and backyards, it would be the imposition of further useless expenditures. There has been much testimony offered that air-raid shelters to be effective against fallout from nuclear explosions must be elaborately constructed on a large scale, and go to a considerable depth. But what use is a shelter a few feet down in a basement or a backyard? If air-raid shelters could provide adequate protection against fallout they would have to be deep, and they would have to be amply stocked with provisions and water to enable the occupants to subsist over a long period of time, not merely 2 weeks.

The cost to the Federal Government, according to sworn testimony, to erect defense shelters which would be at all worthwhile, would be from $12 billion to $20 billion—not millions of dollars, but billions of dollars. Such

shelters, we are told, should not only be constructed in depth, but should have elaborate ventilating processes to protect the occupants against death or grave injury from fallout. Shallow shelters, such as those the distinguished Governor of the State of New York advocates or seeks to thrust upon the people of that State, if he goes through with his program, might be somewhat effective, just as lying flat on one's face in a backyard or areaway might be effective. Such shelters would be no more effective.

We recall what President Hoover termed prohibition, "an experiment noble in purpose," but which the people of this Nation repudiated; an experiment which was placed upon the necks of our people during wartime. Judging from the experience we had under the program of prohibition forced on the American people, it does not seem to this humble Member of the Senate that the distinguished Governor of New York will have a very good platform on which to run for President of the United States, if he proceeds to foist or thrust compulsory air raid civil defense shelters, on the American people. The American people despise compulsion.

May I, as a Democrat confident in the certain election of a Democratic President in 1960, express delight over the prospect that 40 years after forced abstinence, termed "prohibition," a foremost candidate for the Republican nomination for President of the United States apparently now advocates forced civil defense shelters upon American homeowners.

During the period of World War II there might have been some sense in civil defense training. But in this jet and missile age paid civil defense officials are simply boondogglers and pap suckers.

I read in today's Washington Post and Times Herald that John F. Fondahl plans to resign as Director of Civil Defense for the District of Columbia, a position which pays that gentleman $13,970 a year. I give him great credit for resigning from such a sinecure. I am certain that he has not accomplished any real and needful public service during all the time he has held the position of Director of Civil Defense for the District of Columbia. I am glad he has shown a heart for the welfare of the taxpayers by resigning from that position.

Mr. President, it is certain that in time of a sudden catastrophe due to the explosion of an atomic bomb or bombs the Army will take over immediately. Martial law will be declared. Any civilian wearing an armband and seeking to interfere will be laughed off. Thousands of young men have been drafted by the Nation for service in the Armed Forces. The draft has been extended by Congress for a period of 4 years. Many thousands who have received Army training will be returning each month to civilian life. As a part of their Army training, they should be given, as they probably are being given, training in first aid. They should be instructed as to what should be done in the event of disasters and fires caused by the explosion of nuclear bombs and missiles; and what to do in the event of an attack.

These young men, former soldiers, having returned to civilian life, could well take the leadership in their home communities to put into effect whatever civil-defense measures may be necessary. In that way, we would be following the example of Canada, which has assigned all civil-defense functions to the National Guard of that Dominion. We would be following the policy of our ally, Great Britain, where civil-defense functions have been taken over by the Home Guard.

In addition, would it not be far better for the taxpayers if Congress were to appropriate a few million dollars—not billions of dollars, but a very few million dollars—to have some nationwide agency, such at the American Red Cross, instruct the people, by radio and television, in the measures they should take for first aid to save lives in the event of a nuclear attack or in the event of any terrific catastrophe, such as flood or windstorms? That could be done satisfactorily without necessitating the expenditure of billions of dollars on civil defense, which has already cost the taxpayers of the States many millions in addition to the Federal expenditures. Such expenditures have been futile and wasteful.

Mr. President, I think the soldiers who have returned home from their service in the Army should take over the handling of civil defense. Yesterday I finished reading a history of the Civil War. That kind of war would now be considered a limited war. It would not be considered a tremendous catastrophe, although it was very serious at that time. Throughout the entire book, page after page, it is evident from the outset, immediately following the bombardment of Fort Sumter, that President Lincoln became a virtual dictator. He suspended the writ of hebeas corpus. He acted independently—he consulted no one—when he issued the Emancipation Proclamation. He simply laid it before his Cabinet for their information. He was in truth a dictator.

In event of a nuclear attack upon this country by the Soviet Union or Red China or by some trigger-happy soldier or airman or missileman in one of their armies, we can depend upon it that the Armed Forces of the United States would immediately take over, as they should take over. Civilians wearing armbands would not be permitted to interfere with our Armed Forces, and they should not be. In the terrible times which might confront us without any warning, or with only some few minutes' warning, our Armed Forces, trained and prepared, would take over. We may have all faith and confidence in them.

Mr. President, our Government should take steps now to have the American Red Cross furnish information by television and other means to instruct citizens generally as to what to do in the event of a disaster caused by sudden enemy action. Patrick Henry on one occasion said:

> There is but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way to judge the future except by the past.

Let us profit by the bitter, bad, and useless experience which the Nation has had with civil defense—first evacuation, then a shelter program, and now a forced shelter program which is suggested by the Governor of one of our States. Let us profit by the bitter experience which the taxpayers have had. Let the Armed Forces of the Nation take over the defense of the American people as they would take over anyway, and thereby save the taxpayers tremendous sums of money. Let us save our citizens from making foolish and utterly useless expenditures by digging in their back yards and basements.

Those fine men and women who have volunteered for civil defense work over the past several years deserve credit for their patriotic efforts. They, along with ex-service men, State, county, and city law-enforcement officers, and community welfare agencies and workers will respond voluntarily in times of emergency and disasters, as has always been done in the past.

Civil defense as now conducted is simply a costly, ineffective, and absolutely unnecessary agency. Volunteer workers in the civil defense setup deserve credit for what they have been trying to do. The odds against them are great, as the 1,800 Federal officials and employees in civil defense, plus the many paid State employees, are simply holding down political jobs and rendering no needful service whatever.

UNEMPLOYMENT AND DISTRESSED AREAS

Mr. HUMPHREY. Mr. President, recently Sylvia Porter, the noted economist and writer on matters of economics, published a notable article entitled "Our Jobless Rolls Are Too Big for Time of Prosperity." The article referred to the need for action on the part of the Federal Government in cooperation with the State to eliminate blighted areas I believe that this article relates somewhat to the subject matter of the bill before the Senate, which has to do with a program for coal research, to encourage and stimulate the production and conservation of coal in the United States. The areas which are producers of coal surely the areas which are in need of accelerated economic activity.

Furthermore, the bill which is known as the area rehabilitation bill, or the depressed areas bill, has passed the Senate. It lies languishing in the other body.

It appears to me that the threat of a Presidential veto has taken its toll. I only hope the Members of the other body will act despite the threat of a veto and give the encouragement which is needed to many areas in the United States which are like small deserts in a land of milk and honey, in a land of plenty. There is genuine prosperity in many parts of the country. But, by an ironical twist of fortune, there is genuine difficulty in small, but nevertheless significant, areas of the country.

I ask unanimous consent that the article by Miss Porter be printed at this point in the RECORD, in connection with my remarks.

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

OUR JOBLESS ROLLS ARE TOO BIG FOR TIME OF PROSPERITY—U.S. ACTION NEEDED TO HELP STATES ERASE BLIGHTED AREAS

(By Sylvia Porter)

At this moment of high and rising prosperity almost 11 percent of all those able and willing to work are still jobless in 179 areas spread across 29 States in our land.

There is no question whatsoever about the power and breadth of today's business upswing, no doubt that our economy is surging to new heights.

Yet, while the rebound from the 1957–58 recession has slashed average unemployment in the United States to under 5 percent of our work force, the bitter facts are:

1. The boom has hardly touched the pockets of joblessness in cities hit by major industrial upheavals or migrations in recent years.

2. A full one-third of this Nation's unemployed men and women are concentrated in these 179 chronically depressed areas.

3. Many of these cities were hit by all-out depression long before the general economic downturn of 1957–58, and the nationwide recession made an already bad situation worse.

4. As an indication of the chronic nature of the unemployment, the area with 23.1 percent of its workers in May, the highest unemployment rate in the country—Biddeford-Sanford in Maine—has been on the Government's official labor surplus list since 1954. In Providence, R.I., unemployment in May topped 11 percent, and this major city has been on the sick list since 1951. In Atlantic City, N.J., unemployment exceeded 15 percent, and this world-famous resort city has been in trouble since 1952. So it goes.

ONLY A GREAT BOOM WILL HELP

Let's face it. If an upsurge already 14 months old and of this strength still leaves us with so many valleys of trouble, there is little chance that anything short of a great boom will erase them.

Let's face this too. Many of the jobless in these areas are too old or too set in their ways to move to booming regions. Large numbers don't have the skills and aren't now capable of learning the skills other regions are demanding. Most don't have the money to finance a move even if they dared try it.

The cities of the most prolonged and worst distress simply haven't had and don't have the capacity to fill the gaps created in their economic structures by the decline of what were once basic industries, the migration of major corporations.

So finally, let's face up to the one decent answer: a program of technical assistance, loans and grants under which the Federal Government can help States and localities redevelop the distressed regions.

WE DO PAY OUR DEBTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "We Do Pay Our Debts," written by Sylvia Porter. The article relates to the ability of the American consumers to maintain, on schedule, payments on installment loans and consumer credit.

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

WE DO PAY OUR DEBTS

(By Sylvia Porter)

You probably take for granted that during the bleak days of the 1958 slump armies of jobless in our hard-hit industrial cities were compelled to default on their bank installment loans.

It's a logical assumption. How could an automobile worker out of a job for a protracted period and dependent on unemployment benefits support his family and keep up the monthly payments on his mortgage and installment loans? How could his bank carry him month after month even if the bank's managers were sympathetic and wanted to?

Logical though this reasoning is, it has been spectacularly wrong. For the Chicago Federal Reserve Bank has just completed a study of the record on consumer loan repayments during the 1957–58 recession in its district—covering parts of deeply depressed Michigan, Indiana, Wisconsin, and all of Iowa. Here is what it shows.

In this heart of the industrial Midwest gross bank losses on consumer loans in 1958 amounted to only one-third of 1 percent, and for 1957–58 the net loss rate was under two-tenths of 1 percent or under $200 per $100,000 of loans. Even the Chicago Federal Reserve which, like all Federal Reserve banks, shrinks from making unqualified statements, says, "These rates are exceedingly low for this type of lending."

In 1958 a full 35 percent of the 1,000 banks in the States had no losses at all on consumer loans, or actually recovered money on loans previously charged off. This was less than the 45 percent which had a perfect record in 1957, but it still was a sensational percentage.

The largest banks in this midwestern area showed the smallest losses—only $166 per $100,000 loans. The high rate among smallest banks was only $215 per $100,000.

And, most provocative, there wasn't any significant difference between losses on loans among large banks in Michigan and Iowa—two States representing the extremes of bad and good business in 1958.

What does this record suggest?

If you wish to be cynical, you might say that the reason the banks' record was so good was that the banks had screened the loans so rigidly in the first place that they had only topnotch risks.

Or you might suggest that lots of the losses were hidden because on auto loans which went bad, dealers may have had arrangements under which they were obligated to pay the bank the full balance due.

And no doubt these explanations did play a part in the performance. Certainly banks which had no losses at all had too good a record; they obviously took no chances whatsoever and unquestionably turned down some worthy, profitable applications.

But surely the record also dramatizes the extent to which the American consumer keeps up his loan payments in bad times as well as good. In less depressed cities the loan story was even more amazing. At the Chase Manhattan Bank, largest bank in New York City and second largest in the Nation, losses on installment loans in 1958 were under one-quarter of 1 percent, and recoveries on loans were higher than in 1957. As a Chase Bank official put it to me, "It's a remarkably fine record, showing that people will safeguard their personal credit with considerable effort."

Surely the record indicates, too, that banks these days recognize that many delinquencies are beyond the control of the borrowers, and they now extend these loans, rewrite the terms, "protect" the borrowers.

Our brilliant installment loan repayment record in the recession of 1958 shouts again that we, America's consumers, are the best credit managers in the world.

PARTICIPATION BY AMERICAN STUDENTS AT THE WORLD YOUTH FESTIVAL AT VIENNA

Mr. HUMPHREY. Mr. President, on March 10, I addressed the Senate on the World Youth Festival to be held this year at Vienna, Austria. At that time I said:

The Vienna Festival now provides us with a challenge and an opportunity which must not be permitted to slip by—that of mingling freely and of exchanging ideas frankly with young people from all over the globe.

I then pointed out the difference between the attitude of our Government in regard to this particular Youth Festival and the attitude of our Government toward the Youth Festival which was held at Moscow about 2 years ago.

Of course it is quite obvious that the Vienna Youth Festival is Communist sponsored. Nevertheless, the attitude of our Government toward it is to encourage talented and capable young people of the United States who are dedicated to the principles of democracy and freedom to attend this festival and to speak up in behalf of democracy and the American system or, as we generally call it, the American way of life.

Mr. President, in the Washington Post on yesterday there was published an editorial entitled "Eyes on Vienna." The editorial calls to our attention the following:

For the first time in 12 years, the Communists are sponsoring a World Youth Festival in a city outside the Iron Curtain, and for once the State Department is not beseeching American youngsters to stay away. This means that the seventh festival, which begins in Vienna on Sunday, may be refreshingly unlike its predecessors. Of course the pro-Communist organizers of the fete will be trying to churn up all the propaganda that an estimated $30 to $50 million can buy. Their hope is that some 17,000 youths from 120 countries will be awed and impressed by an extravaganza featuring a host of the Soviet orbit's best actors, athletes, and musicians.

Then the editorial points out what I tried to emphasize in my speech of March 10, namely, that our young people will be doing a good job for democracy by mingling with the young people from other lands.

The editorial states:

But this time the youngsters will be mingling in an atmosphere where all sides can be assured a fair hearing. No secret police, no controlled newspapers, and no intimidating officials will be part of the hostly presence. Some 2,000 American youths are expected to be in Vienna to meet with visitors from the Soviet bloc, Africa, Asia, and Latin America. Most of the Americans will be well prepared. Student committees organized on a voluntary basis have briefed the American youngsters on how to present the Western side most effectively. The State Department, though it has cautioned American students on the festival's

propaganda purposes, has not begged our youth to go elsewhere, as it did at the time of the Moscow Festival 2 years ago.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD, in connection with my remarks.

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

EYES ON VIENNA

For the first time in 12 years, the Communists are sponsoring a World Youth Festival in a city outside the Iron Curtain, and for once the State Department is not beseeching American youngsters to stay away. This means that the seventh festival, which begins in Vienna on Sunday, may be refreshingly unlike its predecessors. Of course the pro-Communist organizers of the fete will be trying to churn up all the propaganda that an estimated $30 to $50 million can buy. Their hope is that some 17,000 youths from 120 countries will be awed and impressed by an extravaganza featuring a host of the Soviet orbit's best actors, athletes and musicians.

But this time the youngsters will be mingling in an atmosphere where all sides can be assured a fair hearing. No secret police, no controlled newspapers and no intimidating officials will be part of the hostly presence. Some 2,000 American youths are expected to be in Vienna to meet with visitors from the Soviet bloc, Africa, Asia, and Latin America. Most of the Americans will be well prepared. Student committees organized on a voluntary basis have briefed the American youngsters on how to present the Western side most effectively. The State Department, though it has cautioned American students on the festival's propaganda purposes, has not begged our youth to go elsewhere, as it did at the time of the Moscow Festival 2 years ago.

It is a pity that a meeting of this kind must be conducted in a cold war atmosphere. But though we may deplore the circumstances, the contest remains. Surely the country owes a debt to these students who are refusing to concede a round to Soviet propaganda by default.

Mr. HUMPHREY. Mr. President, I would say to the Senate, and also to the editorial staff of the Washington Post, that thousands of copies of the reprint of my address in the Senate on March 10 have gone to the students of the United States, through the cooperation of the National Student Association. Furthermore, the student leaders have prepared a manual of advice and counsel for any of the American young people who are attending this festival.

It is good to note that our young people are prepared for this meeting. I have a feeling that they will give a very good account of themselves, and will do honor to the traditions of our country and to the hope and the promise of democracy, not only here, but also abroad.

I, for one want to salute and compliment the young men and the young women of the great universities and colleges of the United States who are attending the festival, and who are preparing to act as representatives of freedom in connection with a program which obviously is dominated by pro-Communist elements. It is just this kind of courage and this kind of initiative which should characterize our foreign policy. We never should run away from the challenge of communism. We should meet it head-on. We have much more to offer. We have a better program to outline and to describe. We have a better philosophy to state. And when young men and young women from the United States are willing to exemplify the spirit of daring and of courage that is typified by their presence at that festival, it bodes well for the future of the United States.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

FOREIGN LANGUAGE TRAINING

Mr. HUMPHREY. Mr. President, I wish to report to the Senate on a study which has been made by the Senate Subcommittee on Reorganization, of the Senate Committee on Government Operations.

Earlier this session, I made a preliminary statement about one of the studies being undertaken by the subcommittee, namely, the study of the foreign-language training program.

Last fall, after the adjournment of the 85th Congress, and while I was on official business on the west coast, I visited the Army Language School at the Presidio of Monterey, Calif.

I was very much impressed with this educational facility, which provides intensive training in foreign languages for the military services, and also provides basic economic, geographic, and political information about countries in which the languages are spoken. I was impressed by the caliber of faculty, its excellent training facilities, and the dedication of its staff to its important mission.

But I discovered that despite the steadily increasing demands by all three of the military services and by our foreign service oversea agencies for trained linguists, the Army Language School was operating at less than 50 percent of its capacity. Also, among its instructors, all native speakers, recruited at great effort from throughout the world, there was growing concern over the future of the Army Language School. Its student population declined from 2,800 in the fiscal year 1955, to an average of 1,400 to 1,500 in the fiscal year 1959. More important still, it appeared that little or no affirmative action was being taken at high levels in the Military Establishment to correct this situation.

When I returned to Washington, I directed the staff of the Subcommittee on Reorganization and International Organizations, of which I have the privilege of serving as chairman, to conduct a thorough inquiry into the entire military foreign language program, to determine the reasons for the conditions existing at the Monterey facility.

The staff's findings have been published in Senate Report 153, of this Congress, entiled "The Federal Government's Foreign Language Training Programs," which I filed in the Senate, on behalf of the Committee on Government Operations on April 7, 1959. But for the information of Senators, I should like to summarize them briefly, in connection with developments which have occurred since the subcommittee's report was filed.

Briefly, the staff found, first, that there was no high-level direction or coordination within the Department of Defense of the foreign-language training programs of the military services; second, that the three branches of the military services were operating independent training programs, coordinated only through an interservice agreement, which was ineffective, at best; and third, that, as a result, the Military Establishment's foreign-language-training program was not being operated on the most economical or productive basis.

Mr. President, I digress from the formal report to state that here is another classic example of the utter failure of the Department of Defense to coordinate its activities; and that failure results in considerable cost and expense to the taxpayers of the Nation. It is inexcusable to have three separate language-training facilities in the three separate branches of the armed services and, in addition, to have the Foreign Language Training School of the Department of Defense. For instance, what is the use of having four separate schools in which certain members of our Defense Establishment are taught to speak Chinese, so that they will become qualified to speak Chinese when they are on Formosa. After all, if one of those schools is qualified to teach Chinese as it is spoken on the island of Formosa, certainly there is no need to have three additional schools for the same purpose. It seems to me completely ridiculous to have three or four separate schools, each with its own facilities, its own teaching staff, its own administrative staff, and its own budget officers, all paid from the Treasury of the United States; and undoubtedly the total of such costs is considerably in excess of what would be termed good management costs.

Based further upon these conclusions, the Committee on Government Operations, on recommendation of the Subcommittee on Reorganization and International Organizations, made the following recommendations to the Department of Defense in Senate Report 153:

Foreign language training should be elevated to the position in the Department of Defense where it commands the attention, the high-level coordination and the logistical support that is urgently required to provide the trained military linguists that the Armed Forces need. It should be the direct responsibility of no less an official than an Assistant Secretary at policymaking level.

The Secretary of Defense also might well give serious consideration to the establishment of an Armed Services Foreign Language Institute, which would be responsible for linguistic training for all three branches of the military services. While there may be admitted problems from the military viewpoint in concentrating foreign language training in one locality serving all three branches of the service, certainly improvements must be made in the present independent operations now being conducted by them.

After making these recommendations, at my direction the subcommittee held

an executive session May 22, 1959, to discuss the foreign language training program with high ranking officials of the Department of Defense and the three military services. Present were Assistant Secretary of Defense Charles C. Finucane; Under Secretary of the Army Hugh M. Milton, who also had inspected the Army Language School last fall, following my visit; L. S. Thompson, Special Assistant to the Secretary of the Air Force; Vice Adm. Harold P. Smith, Chief, Bureau of Naval Personnel, U.S. Navy, and other representatives of the military services who accompained them.

I am pleased to report that as a result of the subcommittee's interest in this important matter, the Department of Defense is conducting an extensive study of the military language program, with the intention of establishing the high-level departmental coordination recommended above. Also the subcommittee has been assured that thorough consideration is being given to the centering of basic foreign language training in a single facility for all three military services wherever the special requirements of the individual services permit.

In addition, the subcommittee has been assured that high priority will be given by the Department of Defense during fiscal 1960 to restoring the Army Language School to its maximum operating capacity as rapidly as anticipated increased demands for linguists warrant. I am confident that because of the interest focused by the subcommittee on the situation existing there, this will be done.

I add that the subcommittee will be keeping a weather eye on the Department of Defense to see that this consolidation takes place, first of all; and, secondly, that the Army Language School is permitted to operate at its maximum capacity.

I do not agree, however, with the concept advanced by the Department of Defense that basic or preliminary training in foreign languages should be provided only by private institutions and that specialized or technical training should be provided by postgraduate work at the Army Language School. It would seem to me that the exact reverse of this concept, with the universities providing the highly specialized training which spokesmen for the Air Force indicated they could not obtain at the Army Language School, would be a much more logical approach to meeting the service's needs.

In connection with this, I ask unanimous consent to insert at this point in my remarks a letter addressed to the Subcommittee on Reorganization by Col. Walter E. Kraus, commandant of the Army Language School, following the executive session May 22. Colonel Kraus has served as commandant of the Monterey facility for the past 4 years. He is responsible to a great degree, I am informed by some of our foremost educators, for the language training capability that has been developed there, and I attach the greatest validity to the comments he makes. I recommend that the Secretary of Defense, in reorganizing or reorientating the military language training program, give the most careful consideration to his views, especially those relating to the teaching of basic language skills.

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

HEADQUARTERS, U.S.
ARMY LANGUAGE SCHOOL,
PRESIDIO OF MONTEREY, CALIF.,
OFFICE OF THE COMMANDANT,
June 5, 1959.

Mr. MILES SCULL, Jr.,
Professional Staff Member, Subcommittee on Reorganization, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. SCULL: I have reviewed the minutes of the hearing on the language program, which was conducted on May 22, by the Subcommittee on Reorganization.

In my opinion, the projected 6-month study of the Defense Department appears to be based upon false premises or misunderstandings.

For one thing, the teaching of military or technical terminology is not a matter so complex that it requires a postgraduate school. It is unthinkable that the Army Language School should be relegated to the minor and economically unsound role of simply adding technical terminology to the language training military students have undergone in colleges.

The concept of separate programs—basic by universities and specialized by the U.S. ALS—is not only inefficient but wasteful. To teach only the basic course at colleges would consume nearly the same time as it now takes to teach both basic and specialized language at the Army Language School. Thus, in addition to 47 weeks at a university, the student would have to spend another 2 or 3 months out here, which would be at variance with reasoned economy. In 1955 we abandoned the practice of "tag end" training in specialized terminology because it proved to be thoroughly unsatisfactory. We found that students acquire vastly superior skill in discussing military subjects when technical terms are introduced at the beginning and integrated throughout the remainder of the course.

Another indefensible argument presented in the hearing is that unification is unworkable because technical terminology varies too greatly in the three services. This is not true. We have given quite satisfactory training to Air Force and Navy students in this respect, even adjusting course materials in special cases. What is more important, however, is that the factor of technical terminology does not, by any stretch of the imagination, affect course organization to the extremes claimed in opposition to a Department of Defense school.

Later in the minutes, it was stated in effect that the universities are eminently qualified to provide basic training in languages. Meaning to belittle no one, I can say without equivocation that no civilian college does as well as the U.S. Army Language School in producing graduates with practical skills in foreign languages—abilities which are the sole aim and purpose of military language programs. To withdraw the current mission of fundamental training from the Army Language School would consumate the ultimate refinement of folly, for it would only necessitate reestablishing inferior copies of our facilities and the methods we have perfected over 18 years of pioneering in this field. Millions of contact hours with more than 24,000 graduates give us experience not to be found in any other institution offering a similar program.

By tradition colleges excel in teaching linguistic facts about language and its literary byproducts, but it is only by accident that this cultural approach—necessary to higher education—ever confers on a student any real skill in speaking the language. It is this very situation that occasioned the birth of and growth of the Army Language School.

I feel with the deepest conviction that the most significant role to be played by civilian colleges in advancing the national language program is that of training urgently needed teachers and accommodating civilian requirements. We are not competing with colleges. They teach a discipline; we teach a skill.

Sincerely yours,

WALTER E. KRAUS,
Colonel, Artillery, Commandant.

Mr. HUMPHREY. Mr. President, I call this matter to the attention of the Senate because of the crucial importance of building up the linguistic capabilities of our oversea personnel, military and civilian, in today's thermonuclear age.

In conclusion, I should like to quote the following paragraphs from the Senate report to which I have previously referred:

New military doctrines are emerging, brought about by the development of nuclear weapons, guided missiles, and other concepts of modern warfare which makes military linguistic ability a must. Today's nuclear age calls for highly skilled professional military forces of great mobility capable of operating anywhere on the face of the globe, if need be. Combat in the future, following devastating nuclear attack, will involve not only armed forces, but entire populations over widespread areas. A knowledge of foreign languages obviously has become an indispensable sidearm to the modern soldier, a weapon upon which not only his mission but his life may very well depend.

Moreover, missile warfare will greatly reduce the time between the decision to wage war and the act of aggression itself. No longer can nations expect to have days or weeks for essential defense before an attack; or, when missiles become operational, even hours. The best possible military intelligence, most sensitive to an aggressor's intentions, therefore, is an absolute necessity for survival in nuclear warfare. Vital to intelligence capability is linguistic ability refined to a degree which allows no tolerance for either mistake or omission, either of which could be fatal.

There is no question, Mr. President, that the highest priority must be given to producing the linguists our oversea personnel must have for the winning of either the cold war in which we are presently engaged or the peace which we fervently hope will follow it.

I am, indeed, pleased that the Department of Defense recognizes the vital importance of this to our military effort and is at last taking steps to do something about it. I respectfully urge the State Department, the ICA, the CIA, and other important security agencies to intensify their efforts in language training and improve their programs.

MILITARY WASTE IS HELPING TO UNBALANCE THE BUDGET

Mr. SPARKMAN. Mr. President, many in Government, as well as thoughtful citizens throughout the country, have become concerned over the constantly increasing cost of running the Government.

The information recently released that the National Government closed its books for fiscal year 1959 with a $12,541 million

deficit—the biggest peacetime deficit in the history of our Nation—is a danger signal we cannot afford to ignore.

One way to cushion the fiscal impact of these mounting deficits is to take advantage of every possible opportunity to economize in areas where economy can be wisely practiced without neglect of vital national needs.

On April 28, I called the attention of the Senate to the needless expenditure of public money by the Department of Defense through wasteful procurement methods. At that time, I commented on the widespread practice of noncompetitive, sole-source purchasing, and showed specifically how just one buying office of the Navy Department had effected savings averaging 70 percent on the purchase price of 42 products as a direct result of opening up sole-source procurements to the economies inherent in competitive bidding.

Today, I wish to comment briefly on a report just issued by the Office of the Secretary of Defense on the award of military prime contracts during the period July 1958 through March 1959.

By the way, Mr. President, I was pleased to note the speech made last Friday in the Senate by the distinguished junior Senator from Arizona [Mr. GOLDWATER] and also the comments made on the same date by the distinguished junior Senator from Vermont [Mr. PROUTY]. Both of these Senators were dealing with another phase of the matter about which I wish to address the Senate, and I congratulate them for having brought the subject before the Senate as they did on that occasion.

Let me say at the outset, Mr. President, there is little in this report to comfort those who had hoped to see the Nation's smaller business firms obtain a fairer share of the $15 billion spent by the Department of Defense through the several military services with business firms in the United States during the first 9 months of fiscal year 1959.

Nor does this report offer any basis for believing that the Defense Department is yet taking any real action toward mending the error of its procurement ways to the end that every tax dollar spent for weapons and military goods and services will buy 100 cents worth of product.

First of all, we should take note that small business concerns averaged only 16.1 percent of total purchases from all business firms during the first three quarters of fiscal year 1959. Unless there proves to have been an improvement in this small business share of military prime contract awards during the last quarter of fiscal 1959, the figures for the full fiscal year may show that small business received a smaller percentage of prime contract dollars in fiscal year 1959 than in any year since these records were first compiled in 1951.

The Department of Defense would have us believe that this decrease in small business' share of the defense contract dollar is a direct result of the increase in the procurement of major hard goods—these being explained as too large and too complex for production by small- and medium-sized firms.

I am willing to concede that, in general, the type of product being bought has a bearing on the source of supply by size. I am not willing to concede, however, that increased emphasis on hard goods by itself constitutes a valid excuse to explain away the constantly diminishing percentage of small business participation in defense prime contracts.

The Congress, for example, has provided a compensating mechanism in the joint set-aside program first authorized by the Small Business Act of 1951, and made permanent in 1958, by means of which some contracts may be earmarked for exclusive competitive award to small firms. I submit, Mr. President, that this set-aside mechanism is a built-in regulator by which the Defense Department, in cooperation with the Small Business Administration, can, if it has the desire to do so, adjust the percentage of contracts being awarded to small firms to a reasonable and just level.

Yet the report of the Defense Department tells us that out of $15 billion in contract awards to concerns within the United States during the first 9 months of fiscal year 1959, contracts worth only $534,695,000 were actually awarded competitively to small concerns by means of this joint set-aside procedure. In other words, this set-aside device which Congress placed in the hands of the Defense Department and the Small Business Administration accounted for only 3.5 percent, or about one-thirtieth, of the total dollars awarded in the 9-month period under discussion.

Another aspect of the Defense Department report, Mr. President, should interest anyone who is concerned with balancing the budget, combating inflation, and seeing our Government run on an economical and business-like basis. This feature involves the continued and habitual reliance of the purchasing officials of the Defense Establishment on sole-source, noncompetitive buying.

Of the $15 billion spent by the Department of Defense in the United States for goods and services from July 1958 to March 1959, almost $5½ billion—or more than one-third of the total—was spent in the form of modifications and extensions of existing contracts. This means another $5½ billion without competition or the right of anyone else to participate in this business.

In addition, prime contracts valued at $5,384,000,000—another one-third of the total—were negotiated in each contract instance with only one company or so-called sole source. Here we find, Mr. President, that more than two-thirds of the prime contract dollars were let during this period without a vestige of competition.

Yet the taxpaying public, and I dare say some Members of Congress, still believe that the Federal Government conducts its purchasing activities under an advertised, sealed-bid system in which, all other things being equal, the bidder offering the lowest and most economical price to the Government gets the Government's business.

It should also not go unnoticed that a mere 20 large corporations—just 20 companies out of the more than 4 million concerns comprising our national economy—are today consistently obtaining more than 50 percent of the net value of military prime contract awards.

There is much talk, Mr. President, of economy in Government. We are deeply concerned, as we must be, with attempting to balance the budget. Yet at the same time, the administration stands by while hundreds of millions of dollars each year go down the drain because the Department of Defense will not insist that business firms compete on a business-like basis when they sell to the Government.

There is no sensible substitute for competition, Mr. President. It was only last week that the country observed the wholesome influence of competition when one manufacturer of steam turbine generators of a type and size bought by the Government announced reduction in the price tag of 600,000-kilowatt generators of $2,400,000 a unit. This is equal to about a 15-percent price slash. It is interesting to notice that within 48 hours another manufacturer of steam turbine generators also cut its prices. The taxpayers of this country will be the direct beneficiaries of these price cuts which were induced, in large part, by competition.

Since business itself buys on a competitive basis, why cannot the businessmen running the Department of Defense bring themselves to guard tax dollars as carefully as they would conserve the purchasing dollars of their own companies?

It is not probable that in the near future we will be able to reduce substantially the annual outlays for national defense. Common sense therefore insists that those responsible for spending billions of defense dollars should see to it that the Government gets a dollar's worth of return for each dollar spent.

There is only one intelligent way to buy, whether the buyer is a consumer shopping on Main Street for a pair of shoes or the Government placing a multimillion-dollar order. The only way to find the best quality at the lowest price is to buy competitively.

Until the procuring officials of the Department of Defense learn this basic fact of life—which is lesson No. 1 for purchasing agents in private business—the spending of our defense dollars will continue to be marked by waste and inefficiency.

This new practice, which has resulted in giving over half the total of defense production to just 20 companies, is simply not fair to the taxpayers nor to the 4 million small independent businessmen who are not even permitted to bid on this business.

To a large degree we have turned the small businessman out to pasture as far as military procurement is concerned. Such a course ignores the fact that in every war in which this Nation has been engaged since 1776 the independent businessman has been the backbone of our defense effort either through prime contracting or subcontracting. The small business man has a record of dedication, efficient operation, resourcefulness, ingenuity, and devotion to the welfare of the Nation unmatched in the

annals of history. Have we ever put the flag on the independent businessman's establishment and had him fail us? The record is studded with evidence that he has saved the Nation untold billions.

But, today, without justification, we close our eyes to this magnificent record of performance in our military procurement as if the independent businessman were a rank amateur in the defense business.

It is impossible to tune in radio or television or to read a newspaper without being reminded of the $12½ billion deficit in the President's budget for fiscal 1959, just ended.

Some of the deficit is due to waste. When is the waste going to stop? A partial answer to this question lies in the area of military expenditures.

The Small Business Committee which has been charged with exercising primary concern and responsibility in relation to the welfare of the small and independent businessman has kept a watchful eye on expenditures for Government purchases of goods and services. We can testify that present practices in military procurement constitute a principal culprit in the business of unbalancing budgets. The more our small and independent businessmen have been barred from participation in Government purchases, the less mileage we have been getting out of the Government defense dollar.

It is time we stopped standing at the wailing wall, idly bemoaning unbalanced budgets and dimming prospects for tax reductions. It is time we stopped striking away madly and foolishly at vital programs in nondefense areas and get at the root of the problem.

It appears that the wasteful, nonbusinesslike practice of handing over the bulk of defense business to a handful of major companies without any other companies getting a chance to bid or otherwise to compete for the business, is still in vogue. This is the same practice I called attention to on April 28 and on so many previous occasions.

This is all done in the name of efficiency and the idea of achieving mass production at lower cost. But where is the evidence that such a system has achieved either efficiency or the hoped-for degree of mass production in the new types of complex weapons that are claiming such a large portion of our total military expenditures today? The evidence is lacking. The fact is that many of these new weapons are of such revolutionary nature and design, they are, for the most part, still on the drawing boards or still ideas in somebody's head.

They might be likened to a sculptor's dream which only his own skill and artistry can transform into a work of art. Like the piece of sculptor's handiwork, many of our weapons are in the nature of handmade products, certainly at this stage.

The Small Business Committee has accumulated evidence sufficient to convince any informed, reasonable mind that the most promising course for saving tax dollars lies in restoring to some of the 4 million small and independent businesses in this Nation some of their lost participation in military procurement.

We must demand a return to our historic, tested, and proven system of relying heavily upon the demonstrated efficiency, resourcefulness, and zeal for economy of the American independent businessman in defense production. He is the heart and core of our national strength. He represents the essence of fiscal integrity and responsibility. He typifies our national pride in good work and in giving a dollar's worth of performance for a dollar's worth of pay.

I do not believe that there is a single citizen in this country who is not willing to have his tax dollars wisely and prudently spent to preserve our national security. By the same token, I do not believe that there is a single taxpayer who, if he had possession of the facts, would not resent having to underwrite a defense budget needlessly swollen by a disregard for the rudiments of sound competitive buying practices.

The time has come when, if the Defense Department will not make these sensible purchasing economies, economical competitive buying should be forced upon it by the pressure of public opinion coupled with whatever legislation is required to preserve the integrity of the defense dollar.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 306. An act to amend the Federal Crop Insurance Act;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 1631. An act for the relief of Joseph B. Kane, Jr.;

H.R. 2594. An act for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 2846. An act for the relief of Dorman William Whittom;

H.R. 3088. An act to amend sections 353 and 354 of the Immigration and Nationality Act;

H.R. 3117. An act for the relief of Albert J. Hicks;

H.R. 3249. An act for the relief of William S. Scott;

H.R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.;

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base;

H.R. 6955. An act for the relief of Sallie B. Dickens; and

H.R. 7631. An act to amend the Act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes.

ORDER OF BUSINESS

Mr. MOSS obtained the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MOSS. I yield to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to suggest the absence of a quorum without the Senator from Utah losing his right to the floor.

The PRESIDING OFFICER (Mr. CANNON in the chair). Is there objection to the request of the Senator from West Virginia?

Mr. ALLOTT. Mr. President, reserving the right to object, and I shall not object, may I inquire if the Senate is still in the morning hour?

The PRESIDING OFFICER. The unfinished business has been laid before the Senate. The Senate is not in the morning hour.

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

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

COAL RESEARCH AND DEVELOPMENT COMMISSION

The Senate resumed the consideration of the bill (H.R. 6596) to stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes.

Mr. MOSS. Mr. President, before the Senate today is House bill 6596, a bill to establish a Coal Research and Development Commission. A similar bill was introduced also in the Senate and has been the subject of hearings before the Committee on Interior and Insular Affairs.

I invite the attention of Senators to the fact that essentially identical bills were introduced in the 85th Congress, both in the Senate and in the House. Those bills were passed by both Houses of Congress. However, the bills were passed late in the session, and, because of the inability to get the bills on the House Calendar, they were never finally acted upon. The bill which went back to the House was never acted upon finally, and, consequently, no law was enacted.

I shall not take much time to elaborate on the bill or need for it. The subject has been thoroughly discussed, not only in the Senate, but in the committees.

It is a matter of general knowledge throughout the United States that our coal mining industry is in a critical and serious condition. Production has been

declining, and for several years there has been a steady reduction in the number of miners employed in the coal industry. This seems to be an anomaly because of the exceedingly great value which this great resource furnishes to us in America.

Our carbon deposits of coal, which were originally used for heating purposes only, have never been fully developed to their full potential, in many respects. There have been sporadic programs in an effort to develop gasoline or other products from coal, and to find other uses. However, there has been no systematic coordinated program.

The amount spent for research in the coal industry is woefully small, as compared with the amount spent in other industries. For example, the report points out that in 1955 approximately $17 million was spent on research in coal, whereas in 1953, 2 years earlier, $146 million was spent for research by the petroleum industry, and $361 million was spent by the chemical industry. The figures for other industries are also high.

The bill recognizes the problem of a declining industry, with increasing unemployment. It is recognized that this commodity has great potential value, but it has not been unlocked. Therefore, we have the problem of conducting research in the uses of coal. The bill before us has as its purpose the carrying out of a research program, first, to develop new and more effective uses for coal; second, to improve and expand existing uses for coal; third, to reduce the cost of coal production and distribution; and fourth, to emphasize possible developments in the uses of coal of particular value to small coal producers.

The proposed Coal Research and Development Commission would be authorized, first, to conduct research projects; second, to contract for, sponsor, cosponsor, and promote the coordination of research projects carried out by others; and, third, to collect and promote the coordination of all available coal research information.

The Commission would be prohibited from conducting research projects itself unless it were unable reasonably to contract or otherwise provide for such research by others.

No research would be undertaken or conducted unless all the information developed therein would become available to the public.

The bill recognizes that research is carried on now in many areas. The industry itself conducts research. Some of our institutions of higher learning conduct research. The Bureau of Mines has had a research agency for some time. The proposed Coal Research and Development Commission would not duplicate any of the research effort now being made. It would coordinate data from various sources, and would go into additional areas, either through its own staff, or preferably by contracting with research agencies, such as colleges and other institutions organized to do this particular kind of work.

The question arises why there should be a Coal Research and Development Commission. Why not simply increase the appropriations of the Bureau of Mines? This has been considered by the committee. The Bureau of Mines has had this duty for a number of years, but the Bureau of Mines has a number of other projects. It has the whole field, as it were, of minerals, metal and otherwise. Consequently it has diffused its energies and efforts. Its research program has been feeble, and has not been satisfactory.

By creating the Coal Research and Development Commission and charging it with the duties prescribed in the bill, we would be pinpointing a particular research in a particular industry, in which concentrated research work needs to be done.

The bill would authorize, in the first fiscal year, an appropriation of $2 million for the Commission; and in the subsequent years an amount necessary to carry on its work. Requests for appropriations would go through the normal budgetary process in the same way as do other budgetary requests.

It is the feeling of those who have sponsored the proposed legislation and those who have testified in its behalf, including not only producers in the coal industry, but members of labor unions who work in the coal mines, and others interested, that this bill offers an opportunity for us not only to help an industry which has been declining and faltering, but to add to the great resources of the United States. Our coal beds represent a great resource. Our problem is to unlock that resource, and to make it useful and available to all of our people.

The coal reserves which we have for energy alone could last the United States for thousands of years, but perhaps energy is not what we seek primarily from coal. Perhaps by the contemplated research into other areas of use we will find far more valuable uses for coal, with results different from any we get from combustion, and the use of coal simply for energy. Since we have this resource and since we have other needs, it is incumbent upon us in Congress to pinpoint the problem, and to set in motion the great development program contemplated by the pending bill.

So I urge that the Senate favorably consider and act upon the bill before it today, and provide to America additional uses from the resource of our coal beds.

Mr. BYRD of West Virginia. Mr. President, I wish to compliment the Senator from Utah on the excellent statement he has made. I commend him for the diligence and the intensive efforts which have been put forth by the members of the committee on which he serves.

As a Senator from the greatest bituminous coal-producing State in America, I wish to express my gratitude for the attention given to the proposed legislation by the Senator from Utah and the Senate Committee on Interior and Insular Affairs.

I know of no proposal which is of greater interest and importance to my State of West Virginia than the bill which is presently before us, the coal research and development bill, H.R. 6596, which was reported by the committee without a single dissenting vote. I think that this is perhaps one of the strongest arguments in favor of the bill. I respectfully urge that the entire Senate later today add a ringing endorsement to the bill similar to that given by the committee.

Much has been said and written, Mr. President, about the great need for, and great potential of, this proposed legislation. I do not wish to consume much time repeating the many arguments and evidences which illustrate the worth of the proposed Coal Research and Development Commission. However, I feel that there are certain points which should be brought forward, so that there can be no possible doubt that if enacted the bill will be good legislation, and that it will redound to the immense benefit of the country.

I should like to stress two points, Mr. President: First, that the American coal industry is in very serious need of such a program as this; and, second, that the opportunity for general economic rewards through the program would be almost unlimited.

It is well established, I believe, that this Nation's coal industry faces many grave difficulties, and has been plagued with hard times for more than a generation. Two years ago, a special Subcommittee on Coal Research in the House of Representatives summed up the situation very comprehensively when it said in its report:

> From 1925 to 1953, inclusive, the bituminous coal mining industry experienced a net loss in 13 of the 27 years for which data are available, and in only 2 of the 27 years were fairly good profits obtained. Viewing industry's earnings from another angle, it is found that the value, f.o.b. mines, of the total production of bituminous coal in 1953 was on the order of $2,247,000,000, from which the incorporated producers, who accounted for 80 percent of the production, realized a profit after Federal taxes of less than $13 million, or a calculated net profit of less than three-quarters of 1 percent of the gross value of the coal produced. It is doubtful that any other major industry vital to the economy of the Nation has experienced anything approaching the depressed financial condition of the coal mining industry over the past 20 years.

So, Mr. President, a Special Subcommittee on Coal Research, created by the House of Representatives in the 84th Congress, recognized the great need for a program such as is envisioned in the pending bill, H.R. 6596.

Nor has the condition of the coal industry improved appreciably during the 2 years which have passed since the report I have just quoted was written. Just 4 months ago, Mr. Tom Pickett, executive vice president of the National Coal Association, testified before the Mines and Mining Subcommittee of the House Committee on Interior and Insular Affairs and described the American coal industry as an industry still seriously depressed and marginal in its operation. I quote two paragraphs from Mr. Pickett's testimony:

> Let us examine the economic condition of the coal industry in West Virginia, the Nation's leading producer of bituminous coal. The output of West Virginia mines in 1947 was 176 million tons. By 1958, production had dropped to 118 million tons, a decrease

of 33 percent in 11 years. Employment fell from 114,000 men in 1947 to a figure estimated as low as 63,000 last year. This decline in the coal industry has not been typical of the rest of West Virginia's industries. The payroll of the chemicals industry in the State increased 158 percent in this period. The iron and steel payroll rose 86 percent, oil and gas payrolls increased 76 percent, and the glass and pottery industry was up 46 percent. Yet the payroll of the bituminous coal industry declined by 5½ percent despite a 90 percent increase in the wage rate of coal miners.

The effects of the depressed conditions of the coal industry in West Virginia are not confined to the companies and the miners who produce coal. Retail sales in coal communities suffer. Railroads and railroad workers feel the effects.

The harmful effects to which Mr. Pickett refers might have filled hours of testimony, had he chosen to go on and speak of them at considerable length. He might have told of the thousands of miners who have been cast adrift, unable to find new ways to earn a living. He might have pointed out that more than 300,000 West Virginians live on Government surplus food rations, largely as a result of the depressed condition of the coal industry, and of the communities and regions which base their economy mainly on the coal industry. It might have been pointed out that hundreds of small businesses have failed because of the decline of coal, that State and county and city tax revenues have slumped, that unemployment benefit costs and other expenses have soared, that human suffering and privation have been widespread, as a result of coal's decline.

All these grim facts have been repeated many times in the Senate—frequently by my colleague [Mr. RANDOLPH] and myself, and frequently by Senators from other coal-producing States. Therefore, I shall not dwell upon the many hardships and problems which have accompanied the deterioration of the coal industry.

I shall, however, give one illustration of the distress which has been brought on by coal's hard times. In West Virginia, the preponderance of persons out of work are those who once held jobs in the coal industry, or in occupations dependent upon the coal industry. Moreover, as of this month, West Virginia has the highest rate of unemployment in the entire Nation.

For the week ending July 4, the Department of Labor reports that insured unemployment in West Virginia was 22,810. This represented a total of 6.7 percent of the State's labor force while the national rate for the same week was only 3.3 percent. The ranking of States with more than 5 percent insured unemployment was as follows:

	Percent
West Virginia	6.7
Pennsylvania	5.4
Maine	5.2
New York	5.1
Alaska	5.0

It must be remembered, Mr. President, that the numbers for insured unemployment actually tell only a small portion of the true unemployment story. The thousands of persons who have exhausted all unemployment benefits and still cannot find work are not included in the figures which have been supplied by the Department of Labor. Neither are agricultural workers nor the many other types of workers whose jobs are not covered by unemployment compensation provisions. A more realistic appraisal of the situation can be obtained by perusing the statistics which the U.S. Department of Labor uses in compiling its lists of cities and counties designated as "areas of substantial labor surplus." These figures are estimates of total unemployment, not merely insured unemployment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table based on the latest Labor Department statistics.

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

Estimated total unemployment in areas of substantial labor surplus in West Virginia

Area	Unemployed	Rate	Date of estimate
MAJOR AREAS		Percent	
Charleston	11,100	9.7	May.
Huntington-Ashland	10,750	11.6	Do.
Wheeling-Steubenville	16,800	11.9	Do.
SMALLER AREAS			
Beckley	6,550	27.6	February.
Bluefield	4,950	21.9	June.
Clarksburg	3,250	10.1	April.
Fairmont	3,110	12.4	Do.
Logan	3,980	18.5	February.
Martinsburg	1,600	8.9	April.
Morgantown	3,000	15.3	Do.
Parkersburg	3,050	7.7	June.
Point Pleasant-Gallipolis	4,100	11.1	February.
Ronceverte-White Sulphur Springs.	2,700	14.0	Do.
Welch	6,000	27.1	June.
Pikeville-Williamson	8,300	35.5	April.
Cumberland-Mineral	5,550	14.0	February.
VERY SMALL AREAS			
Grafton	1,517	31.6	January.
Marlinton	500	12.5	Do.
Elkins	1,100	12.3	February.
Total (19 areas)	97,907	--------	

Mr. BYRD of West Virginia. Mr. President, in the State of West Virginia not a single surplus labor area has been dropped from the list since a year ago. There are no fewer surplus labor areas in West Virginia today than there were a year ago. Thus it is evident that there is a very wide variation between West Virginia's insured, or official, unemployment of 22,810, and the actual figure for all unemployment. It must be admitted that some of the Labor Department figures concerning areas of substantial labor surplus are perhaps somewhat out of date, but I feel that it is safe to assume that the actual number of unemployed still adds up to a grim total far in excess of the insured number.

Aside from unemployment and the resulting suffering brought on by the slump of the coal industry, there is yet another very serious consequence to keep in mind when thinking of the state of American coal. That is the very real danger to our Nation's security which could result from a further deterioration of the coal industry. America's defense potential will be seriously impaired if the industry slumps deeper into enfeeblement, if many more mines are shut down and allowed to cave in or fill with water; if the coal field working force is further whittled away and the young men turn to new types of work; if mining equipment is permitted to depreciate and is not replaced when worn out; and if the coal-hauling railroads further reduce their capacity to transport huge amounts of coal. If all these things are allowed to happen, then the American coal industry will not be able to respond to the enormous fuel needs of our country in the event of another war.

In fact, there are some who feel that the coal industry already has declined to the point that our national defense potential is seriously impaired. Just a few days ago, Joseph E. Moody, president of the Southern Coal Producers' Association, spoke at a Bluefield, W. Va., gathering and stated flatly that "the bituminous industry is now in no position to meet requirements demanded of it in event of a war."

Mr. President, I ask unanimous consent that the account of Mr. Moody's address, which was published in the Williamson Daily News of July 15, be printed at this point in the RECORD.

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

COAL OFFICIAL RAPS "GAMBLE"

BLUEFIELD, W. VA.—A soft coal industry spokesman says the Government is chancing a national disaster by failing to help the industry.

Joseph E. Moody, president of the Southern Coal Producers Association, said here Tuesday night that the bituminous industry is now in no position to meet requirements demanded of it in event of a war.

"The inability of the bituminous coal industry to supply these requirements would be a national disaster," he told a Bluefield Chamber of Commerce meeting.

"Insofar as the bituminous coal industry is concerned, the Government is gambling with national security," Moody asserted.

He said the chief fault was that the Government has not imposed strict limitations on imports of cheap foreign residual oil. This product—which once was discarded—has taken many of coal's markets.

Moody also said something should be done about the "dumping" by gas companies of excess supplies in industrial areas at lower-than-cost prices.

But Moody said the industry itself had to take some of the blame for its illness. "We've spent too much of our time fighting each other," he said, "while competing fuels worked more closely and took away coal's markets."

Mr. BYRD of West Virginia. Thus, Mr. President, I feel that it is more than evident that a great need exists for a stimulus which would bring aid to the American coal industry. It is needed both to bring economic relief to those regions the standard of living of which is closely tied to the condition of the coal industry, and to insure that our Nation will have adequate fuel resources immediately available in the event of another national emergency.

The need of the coal industry was recognized only a few days ago, on July 15, when the House Committee on Interior and Insular Affairs unanimously adopted

a resolution urging the President to take immediate steps toward increasing production and employment in what it described as the "critically depressed" mining industry.

In view of all these circumstances, it is no wonder that we who represent the coal-producing States of America should be so intently interested in winning the passage and enactment of the proposed Coal Research and Development Act. We believe that great, long-lasting good would redound to our people, who are so highly dependent upon the coal industry, from a program which has the following avowed purposes, as stated in section 4 of the bill:

> To (1) develop new and more effective uses for coal, (2) improve and expand existing uses for coal, (3) reduce the cost of coal production and distribution, and (4) emphasize those developments in uses for coal of particular value to small coal producers.

In order to fulfill these avowed purposes, the proposed Commission would—and again I quote section 4 of the bill:

> (1) conduct research projects;
>
> (2) contract for, sponsor, cosponsor, and promote the coordination of, research projects conducted by industrial associations, educational institutions, qualified nonprofit organizations, qualified private consulting firms, and by other departments, agencies, and independent establishments of the Federal Government; and
>
> (3) collect and promote the coordination of all available research information on the production, preparation, distribution, and uses of coal, including, but not limited to, technical papers.

Mr. President, I do not regard the proposed program as a magic formula through which all the economic problems of America's coal-producing areas would be automatically resolved, nor do I see it as a panacea to effectuate the overnight strengthening of our fuel supplies for defense purposes, but I do feel that such a broad, long-range research and development program would gradually lessen the difficulties which confront the coal industry, and would result in many benefits for all Americans.

There are a multitude of reasons why coal should be assisted in attaining its full potential as a basic material to be used in improving our American standard of living. First and foremost is the fact that coal is by far our most abundant natural mineral fuel resource. The coal reserves of this Nation make up from 84 to 90 percent of our total energy resources. At least 27 States have important reserves. Remaining American coal reserves amount to about 1,900 billion tons—a figure so large it is virtually impossible to grasp. Of that stupendous amount, roughly one-half, or 950 billion tons, is estimated to be recoverable.

To convey an idea of the potential value of these reserves, I shall explain that, at our present rate of consumption, 1 billion tons will serve all the coal power needs of the United States for about 2 years. Thus, our recoverable reserves would sustain us, at present levels, for 1,900 years—as many years as have elapsed since Jesus Christ lived. Furthermore, with continuing advances in technology, it may become possible to utilize many of the narrower veins of coal not now recoverable.

A second powerful argument in favor of the establishment of a comprehensive coal research program is the fact that the chances for rewards from such a program appear to be very lucrative. Scientists predict that, eventually, a fabulous number of valuable products may be realized from the prosaic lump of coal. The National Geographic Society reports that there are believed to be more than 200,000 chemical byproducts of bituminous coal, although only a few of them are used commercially today. The products which already are being produced entirely or in part from coal cover a broad span, and include aspirin, phonograph records, laughing gas, vanilla flavoring, perfume, embalming fluid, laxatives, synthetic vitamins, dyes, TNT, mothballs, indelible pencils, clay pigeons, paint, synthetic rubber, saccharin, fingernail polish, DDT, sulfa drugs, photographic developers, weed killers, synthetic fabrics, refrigerants, road pavement, detergents, carbon electrodes, antiseptics, plastics, food products, and many others.

But these many products represent only a scratch on the surface of the potential that lies ahead for coal. It is evident that a multitude of benefits can be brought to our way of life through coal and its byproducts, once science fully exploits the potential of the resource.

Some will ask, "Why does not the coal industry pay for its own research, as do other American industries?" To this question, there is the reply that the coal industry does finance its own research, so far as possible, with its unstable, borderline operation. Again, I refer to the testimony of Mr. Tom Pickett, given before the House Mines and Mining Subcommittee 4 months ago:

> The coal industry has been doing research and development of its own, but its means of doing this are limited by its low margin of profits, and by the very nature of the industry. The last available survey of research in coal revealed that, in 1955, a total of $17,382,400 was spent on research. Approximately $2.5 million of this was spent by commercial coal operators, $1.2 million by captive coal companies, and $3.2 million by the makers of equipment. The rest was spent by Government agencies, educational institutions, and private research bodies. For an industry the size of bituminous coal, this is a very low figure for research and development.

The truth of Mr. Pickett's statement that this is a "very low" figure is quite apparent when one considers that, in 1953, the American chemical industry spent $361.1 million for research, and the petroleum industry spent $145.9 million. Thus, it is clear that, even to approach the field of coal research in an adequate fashion, a much more ambitious program is needed.

A slight portion of the needed research and development might be conducted by the governments of the coal-producing States. My own State of West Virginia, I know, has under consideration a plan to build a pilot plant to test-produce road-building material from soft coal byproducts. Pennsylvania and Kentucky also are interested in such plants. An account of the possible development idea was printed in the July 17 issue of the Welch Daily News; and I ask unanimous consent that the article may be reprinted in the CONGRESSIONAL RECORD, as a part of my statement.

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

MAY SET UP STATE PLANT TO MAKE ROAD MATERIAL

(By Carlo J. Salzano)

CHARLESTON, W. VA.—Deputy State Road Commissioner George E. White, Jr., said today the commission is considering establishing a plant in West Virginia that makes road-building material from soft coal derivatives.

The material, still in the experimental stage, is made through a process developed by Curtiss-Wright Corp., Woodridge, N.Y.

Pennsylvania and Kentucky have contracted with Curtiss-Wright for construction of experimental plants and use of the binder on various highways for testing purposes.

White said the commission plans to obtain some of the binder for limited testing in the Mountain State while considering establishing an experimental plant.

He said results of the Kentucky experiments were being watched closely by the SRC.

A Curtiss-Wright representative, G. Frederick Brackett, visited Gov. Cecil H. Underwood Thursday after talking with White and Road Commissioner Patrick C. Graney. Underwood was pictured as vitally interested but said the decision on setting up a pilot plant in West Virginia rested with the road commission.

As for the cost of the binder on a commercial basis, Brackett said it could not be determined at this time. But he ventured that it would be competitive with asphalt although four times better in quality.

Bracket added a highway constructed of the new coal-containing binder would require much less maintenance and would have better resistance to skidding than asphalt.

The Federal Government also is studying the material for possible use on the Interstate Highway System, he said.

Brackett estimated it would take about 2,200 tons of coal to make enough binder for 1 mile of highway 20 feet in width. He could not estimate the cost of a pilot plant in West Virginia but said that Kentucky's contract called for a $200,000 facility which included technical help from Curtiss-Wright.

Mr. BYRD of West Virginia. But, obviously, Mr. President, it would be impossible for the States themselves to conduct a very substantial part of the needed development. The only complete answer, I believe, is to be found in the enactment of the bill we now have before us. In House bill 6596, which is very similar to Senate bill 49, which I cosponsored, along with my colleague from West Virginia [Mr. RANDOLPH] and eight other Senators, I believe there is outlined a program that would prove to be a sound investment for all America. While its immediate benefits would accrue primarily to the 27 coal-producing States, its long-range benefits eventually would reach all Americans, through an improved way of living, with hitherto unknown products and less expensive versions of products available today. It would be an investment that would repay itself many times through the bringing of one of our foremost natural resources to scientific maturity.

Therefore, Mr. President, I respectfully urge each of my colleagues in this body to join with me in furthering the same strong approval of House bill 6596 that has been expressed by the House of Representatives and by the Senate Committee on Interior and Insular Affairs.

In conclusion, I should like to point to one final, and very ominous, reason why it is imperative that the Senate pass House bill 6596. I quote from page 10686 of the CONGRESSIONAL RECORD of June 12, 1959, two very important sentences from the statement made by Representative EDMONDSON in the House of Representatives. He is a member of the special Subcommittee on Coal Research. He said:

> Our committee found that not more than 1,000 professional people were engaged in coal research in the United States. We also found that Russia was employing about five times the number of professional people in coal research as are similarly engaged in the United States.

Mr. President, I am sure that each of us here today realizes the urgent need for our country to avoid being surpassed by Russia in the economic race which has been thrust upon us. Therefore, this final argument must be added to all the others in my plea for the passage and enactment of House bill 6596, the Coal Research and Development Act.

Mr. MOSS. Mr. President, the committee has reported the bill with amendments. I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Is there objection? Without objection, it is so ordered.

Mr. MOSS. Mr. President, I should like to describe briefly the committee amendments, and then move their adoption.

The first committee amendment provides that section 3(a) be amended by striking out the words "as an independent agency in the executive branch," so as to make the first part of section 3(a) read:

> There is hereby created a Coal Research and Development Commission.

The next committee amendment provides that for administrative purposes the Commission "shall be located in the Department of the Interior." That amendment is set forth in the latter part of section 3(a) of the bill.

The third committee amendment is in section 6, subsections (b) and (c). This committee amendment would strike out the language adopted by the House, and would insert, in lieu thereof, a provision that the "Commission is authorized to establish and fix the compensation for not more than eleven scientific or professional positions in the Commission," and so forth. This committee amendment is for the purpose of conforming to the general budgetary and personnel procedure, rather than to have the bill name the positions and spell out the salaries, item by item, as was previously provided by the bill. This was recommended by the House Committee on Post Office and Civil Service.

The fourth amendment is a minor technical change, which provides that the Commission shall supply to the Secretary of the Interior, for transmittal to the President and the Congress, its report at the end of each year.

Mr. President, I move that the amendments of the committee be agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing en bloc to the committee amendments.

The amendments were agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 2, line 6, after the word "created", to strike out "as an independent agency in the executive branch,"; in line 15, after the word "Commission", to insert "The Commission shall be located for administrative purposes in the Department of the Interior."; on page 9, after line 3, to strike out:

"(b) The Commission is authorized to establish and fix the compensation for not more than ten scientific or professional positions in the Commission without regard to the Classification Act of 1949, as amended, each such position being established to carry out research and development projects conducted by the Commission itself which require the services of specially qualified scientific or professional personnel. The rates of compensation for positions established pursuant to this subsection shall not be less than $12,500 per annum nor more than $19,000 per annum and shall be subject to the approval of the Civil Service Commission. Such positions shall be in the classified civil service of the United States, but appointment to such positions shall be made without competitive examination upon the approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose."

After line 20, to strike out:

"(c) There is hereby established a position to be known as the 'Research Director'. The Research Director shall be appointed by the Commission, and shall receive salary not to exceed $19,000 per annum. The Research Director shall administer all research projects conducted by the Commission itself under authority of this Act."

On page 10, after line 3, to insert:

"(b) The first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as amended, is amended by inserting immediately following subsection (h) thereof the following new subsection:

"'(i) The Coal Research and Development Commission is authorized to establish and fix the compensation for not more than eleven scientific or professional positions in the Commission, of which one shall be designated as Research Director, each such position being established to effectuate those research and development functions of the Commission (including scientific, technical, and economic research and the practical application of that research) which require the services of specially qualified personnel.'"

And in line 19, after the word "to", to insert "the Secretary of the Interior for transmittal to".

Mr. COOPER. Mr. President, I speak in support of H.R. 6596, a bill which has been explained to the Senate by the distinguished Senator from Utah [Mr. MOSS].

In past years, with other Members of the Senate, I have sponsored several similar bills and I congratulate the Senator from Utah for his leadership in developing and presenting to the Senate this bill, which is so important to the coal industry.

My interest in the proposed legislation arises, naturally, from my interest in the State of Kentucky. It is the third largest coal producer among the States, and is estimated to be the fifth richest State in coal reserves. Fifty-two of the one hundred and twenty counties of my State have produced coal.

Coal has represented for years the major source of income for coal miners, mine operators, railroads, and business communities in the eastern Kentucky and the western Kentucky coalfields.

I am glad that the development of the Ohio and Green Rivers in western Kentucky has given assistance to the western Kentucky coal field, providing cheap river transportation and new markets—particularly the great powerplants along the Ohio River. But in eastern Kentucky coal production has declined. Hard times are knocking at the door in the eastern Kentucky coal field. Technological changes in mining and unfavorable freight rates have affected eastern Kentucky coal specifically, and other forms of competition, applicable to the coal industry generally, such as imports of crude and residual oil, have reduced eastern Kentucky coal markets to the danger point.

Thousands of coal miners in eastern Kentucky, and some in western Kentucky, are out of work, and their families depend chiefly on surplus food.

Not long ago an article in Look magazine presented to the Nation the distressing story of miners and their families in eastern Kentucky. And mine operators face the loss of their investment, and the total economy in the eastern Kentucky coal region is threatened.

I ask unanimous consent to have printed in the RECORD a table which shows Kentucky and national coal production since 1954.

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

Kentucky coal production of bituminous coal	
1954	56,964,408
1955	69,019,910
1956	74,555,028
1957	74,666,796
1958 (estimated)	64,100,000
National coal production of bituminous coal	
1954	391,706,300
1955	464,633,408
1956	500,874,077
1957	492,703,916
1958 (estimated)	405,000,000

Mr. COOPER. Mr. President, while I have been speaking of the situation in the eastern Kentucky coal field, to some degree what I have said applies also to the western Kentucky field. I know this is not a State or sectional problem, for other large coal-producing States with significant coal reserves in almost every region of the United States face the same problems.

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

Mr. COOPER. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I am glad the Senator from Kentucky has made reference to the fact that this is not by any means a local problem which is confined to any one State. We in Pennsylvania for many

years have had to face the fact that some of the uses of coal which were available in previous years have slipped by, and some of our markets have been lost to other fuels. The need for a comprehensive research program to provide new methods by which coal may be made available and used in other fields, such as chemicals, and plastics, supplying the consumer needs of our people through the conservation of this natural resource, leads me to believe the enactment of the pending bill is desirable. It would contribute to an increase in employment in my Commonwealth of Pennsylvania. It would enable us to counteract critical unemployment and the distressed situations which have prevailed for so long.

I am glad the bill has been brought to the floor of the Senate. I congratulate the author of the bill, the Senator from Kentucky [Mr. COOPER], the Senator from Utah [Mr. MOSS], the Senator from West Virginia [Mr. RANDOLPH], and all Senators who have demonstrated their interest in this much needed legislation, and I am very happy to support the bill.

Mr. COOPER. I thank the junior Senator from Pennsylvania very much for his comments. He has expressed a fact all of us who live in coal-producing States are becoming more aware of every day—namely, the worsening conditions in the coal fields of our respective States.

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

Mr. COOPER. I yield to the senior Senator from Pennsylvania.

Mr. CLARK. I should like to express my complete agreement with the views just expressed by my colleague from Pennsylvania [Mr. SCOTT], and also to commend the Senator from Utah [Mr. MOSS], the other members of the committee, and the Senator from Kentucky [Mr. COOPER], for the interest they have taken in this matter.

As everybody knows, at one time Pennsylvania was the greatest coal-producing State in the country. I think we still have a monopoly of the production of anthracite. The uses of anthracite are becoming fewer year by year. The need for research to find new uses for that coal is therefore greater.

I am happy to note, as I am sure my colleague has noted, that a very large investment has recently been made in a new use of anthracite, and an industry is coming into northeastern Pennsylvania that will provide in the neighborhood of 1,200 jobs, which will have to do with the new utilization of anthracite.

Our bituminous fields are in the same unhappy situation as are the fields in West Virginia and Kentucky. The coal industry as a whole has not had the resources to spend on research—the money which is needed. I think the committee report points out that the amount in dollars spent on research in the petroleum industry is many, many times the amount which the coal industry has been able to afford.

I think the modest program of governmental research proposed, financed with governmental funds, is excellent. I thank the Senator from Kentucky for yielding to me. I am happy to see him so vigorously supporting the bill.

Mr. COOPER. I thank my colleague, the senior Senator from Pennsylvania [Mr. CLARK].

Mr. CHAVEZ. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I once again remind the East that the West also produces coal. In my own State there are hundreds of millions of tons still underground. As is true of the rest of the country, with the coming of natural gas and petroleum, the coal industry in my State has suffered also. However, of late, private industry has started small studies, in a modest way, to bring about what is intended to be developed by the provisions of the pending legislation. I am glad to join with the authors of the bill and those interested in the coal industry. I not only support them, but will vote for the pending bill.

Mr. COOPER. All of us from eastern coal-producing States are glad to have the support of the distinguished senior Senator from New Mexico.

I point out a fact which has not been given great consideration throughout the United States. The national interest demands a stable and developing coal industry. In the national interest, we should always keep in mind the national dependence upon coal as a source of energy, both in peacetime and in time of emergency. Our coal reserves at the present rate of consumption are sufficient for the next 1,900 years, while, according to current estimates, our domestic supply of uranium, as an example in which we are showing great interest, will be depleted by 1970. Coal is far and away our largest and most dependable source of energy.

In 1957 a special Subcommittee on Coal Research, appointed by the Committee on Interior and Insular Affairs of the House of Representatives, discussed at some length the importance of coal to the national interest—to the economy and to defense. It pointed out that it was uncertain how long other sources of energy would last, but that coal gave assurance to the country of a dependable source of energy.

As my distinguished friend the Senator from Utah, as well as the Senator from West Virginia [Mr. BYRD], pointed out, in time of war coal is absolutely essential for national defense. Since World War II, we have been importing a great volume of crude oil and residual fuel oil. Last year enough residual oil was imported to replace 52 million tons of coal, about 12½ percent of the volume of coal produced in the United States in that year. And imports are growing in volume.

We must take into account that, if war should come, it is possible that for a time the imports of residual oil—fuel oil—and crude oil would be cut off. The history of World War II proves that when the country needs energy, needs fuel, fuel to supply our factories and munitions, we depend on coal. Coal is essential to the security of the Nation.

All of this points up the fact that it is imperative the Congress take serious and positive steps to initiate a program of coal research to find out new ways to use coal, and better and cheaper methods of production. We have talked about this year after year, but we have done very, very little.

Witness after witness testified, in 1957, before the House Special Subcommittee on Coal Research, that there was a desperate need for research in the industry to uncover new uses and production methods for coal. The Committee on Interior and Insular Affairs of the Senate heard the story last year. In 1955 only $17 million was spent for research in the coal industry; but in the petroleum industry research expenditures totaled $145.9 million, and in the chemical industry they amounted to $361.1 million. The coal industry does not have such profits, such funds for research.

The Bureau of Mines has done some work on this subject. The Bituminous Coal Institute, comprised of mine operators and mineworkers, particularly the United Mine Workers of America, has valiantly attempted to do its part in coal research, and has done a great deal. However, if any substantial breakthrough in coal research is to occur, there must be substantial encouragement, funds, and organization provided by the Congress.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from West Virginia.

Mr. BYRD of West Virginia. I wish to compliment the distinguished Senator from Kentucky for the very able remarks he is making. I should like to emphasize the point that the textile industry spent $280 million in the same year he has mentioned, the rubber industry spent $53 million in the same year in which the chemical industry spent $361 million, and the petroleum industry spent $146 million.

I wanted to have those additional figures with regard to the textile industry and the rubbery industry included in the RECORD along with the Senator's remarks.

Mr. COOPER. I am glad that you complete the record. It points up the disparity between research in coal and research in other industries.

Mr. President, great opportunities exist for research, but they have not been sufficiently financed or explored.

The Bituminous Coal Institute, which works with the Bureau of Mines, in a limited investigation listed 209 areas in which additional experimentation would be of great value to the coal industry. I have that record in my hand. This is only a summary of the work the institute did; yet, as I have said, it was able to list 209 areas in which there is a great opportunity for coal research. There are other possibilities of expanded use of coal—and of more efficient production and marketing of coal.

Several years ago the Government established a plant to experiment and develop oil and gas from coal. For some

reason, the experiments were discontinued. Such a plant should be established again, as well as plants to experiment in developing nuclear energy from coal. The Kentucky Nuclear Commission and the Eastern Kentucky Regional Planning Commission have strongly supported such proposals.

There are many other research and development opportunities for more extensive uses of coal.

The Bituminous Coal Institute and the Bureau of Mines do not have the resources to scratch the surface, in comparison with other competitive industries.

Mr. President, as the Senator from Utah has pointed out, the bill authorizes the Commission to enter into contracts for reseach and, if necessary, the Commission can itself undertake research projects. It would also coordinate the efforts of other groups to avoid wasteful duplication, to encourage speedy investigation of those areas where research is most urgently needed, and to serve as a research clearing house for all private and public agencies interested in the coal industry.

Certainly the sum authorized, $2 million a year, is a very modest sum considering the importance of the coal industry, its present deterioration, and the possibilities research offers toward stabilizing and developing the coal industry.

The Commission would focus national attention on the needs and problems of the industry, so that all concerned will realize what must be done effectively to protect the national interest in coal, as well as to promote the coal industry itself. We cannot afford to permit so great a national resource to be inefficiently or incompletely used and to deteriorate.

I think it is correct to say that the coal industry is the one industry in the United States which has never asked for any subsidization, and has never had any subsidization. All the industry has asked for is an opportunity to compete fairly with other sources of fuel energy.

All segments of the coal industry are united in supporting the establishment of the Coal Commission. It is my belief that the impetus it would give to the coal industry, and the new uses it would discover would help immeasurably to restore the industry to its normal level of activity. I hope at long last Congress will take this necessary action, will pass the bill, and that it will become law—that we will establish the Coal Commission, to provide a sound and fruitful research and development program for the coal industry of our country, and for the national interest—our economy and defense.

Mr. RANDOLPH. Mr. President, my able colleague from West Virginia [Mr. BYRD], the good Senator from Utah [Mr. MOSS], the diligent Senator from Pennsylvania [Mr. CLARK], the experienced Senator from New Mexico [Mr. CHAVEZ], and the distinguished Senator from Kentucky [Mr. COOPER], have given to the Members cogent and compelling reasons for the passage of the pending bill.

Mr. President, the Senate, in passing the coal research bill last year, agreed that the Nation's coal industry is not strong and healthy by any means—being an industry which has long been economically ill and highly vulnerable to competitive fuels.

At the time the proposed legislation before this body was introduced in the early days of the present session of the Congress, I joined wholeheartedly as a cosponsor and I declared:

The benefits which would accrue from activities of the proposed Coal Research and Development Commission would do much to improve and strengthen an industry plagued with pressing problems.

Although some localized coal-mining sectors have been overworked, the Nation's and West Virginia's coal resources generally represent a vast storehouse of mineral wealth that has barely been tapped. These resources, if properly developed and conserved, should serve the Nation for several centuries to come.

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

Mr. RANDOLPH. I yield.

Mr. MOSS. I congratulate the Senator from West Virginia [Mr. RANDOLPH] for the able exposition he is making of this problem, as related to the State of West Virginia and all the other States of the Union. The Senator from West Virginia has been most active in this field for some time. I recall that he was an author and cosponsor of the Synthetic Liquid Fuels Act which was before the Congress a number of years ago. I think this demonstrates his continued interest and activity in this effort, and I compliment him highly for his continued support.

Mr. RANDOLPH. Thanks, and I am very grateful. Inasmuch as my colleague mentioned the Synthetic Liquid Fuels Act, I shall say that measure became law on April 5, 1944. I was a cosponsor of that act, with the eminent senior Senator from Wyoming [Mr. O'MAHONEY].

That legislation, which was originally passed by the 78th Congress, under the stress of wartime demands for liquid fuels with which to supply our Armed Forces, was extended into a 10-year plan when peacetime requirements for oil and oil products surpassed the peak years of World War II. I frankly regret that that program did not continue beyond the 10-year period. It should have functioned beyond that date.

I was impressed with the expressions of my colleague from West Virginia [Mr. BYRD] and my colleague from Kentucky [Mr. COOPER] in reference to the research which is being carried forward by the Soviet Union in finding uses for coal. I feel that the continuance of World War II, from the standpoint of the prosecution of the offensive by the Nazis, extended 6 months longer than it lasted because the Germans had found it feasible to process gasoline from coal—gasoline which fueled the fleets of Nazi planes over the skies of Great Britain, and almost brought defeat, or partial defeat, to the fighting forces of that battered island.

Today we are thinking in terms of our resources being properly conserved and developed to serve the Nation for several centuries to come.

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

Mr. RANDOLPH. I yield to my beloved colleague from Maryland.

Mr. BEALL. I join with my distinguished colleague from West Virginia. I wish also to take this opportunity to corroborate what he is saying about the legislation enacted in connection with the production of gasoline and liquid fuels during the war. At that time I happened to be in the House of Representatives with him. The then Representative RANDOLPH brought to my attention the model which was set up in the old Ways and Means Committee room of the House, to show the processes involved in producing gas from coal. He devoted much time and gave much attention to that processing in those days, particularly with respect to the question of the type of coal which was being processed. He did much for his own State, but more particularly during the war days, he did much for the country, in bringing to our attention the importance of this process. Having listened to what he has said, I am happy to say that I know from my own personal observation of his activity during those days. I am glad to associate myself with him today.

Mr. RANDOLPH. I thank my colleague from Maryland. I often recall our pleasant association together in the House, and I was delighted to see him active in this body.

There is unquestioned need that the coal-producing industry be revitalized and stimulated as rapidly as possible to increase coal marketing and rail transportation, thereby helping to overcome the vast amounts of unemployment and underemployment which have persisted too long to create deep pockets of chronic social and economic distress in some sections of West Virginia and other States.

But this is not an appeal simply for a means of assistance to a single industry or for areas depressed because of technological and economic changes.

Rather, Mr. President, coal is recognized as one of America's traditional basic natural resource industries.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to my colleague from West Virginia.

Mr. BYRD of West Virginia. I have listened to the statement by my colleague. I think he is making some very pertinent points which require that we act swiftly and favorably upon the proposed legislation before us.

There is one thing particularly about what he has said which should be emphasized. It was touched upon by the Senator from Kentucky [Mr. COOPER], and that is the fact that the Soviet Union is already engaged in a great effort in the field of coal research. It should be pointed out that in the Soviet Union there is an independent agency, the responsibility of which is the conduct of a program of coal research and development.

The Russian Institute of Bituminous Coal Research is under the guidance of a member of the Russian National Academy of Sciences. Under him are ap-

proximately 400 scientists with the equivalent of our doctor of philosophy degree. They have assisting them approximately 4,000 scientists who have a scholastic rank equivalent to our bachelor of arts, bachelor of science, and bachelor of engineering degrees. These men are assisted by an additional 6,000 technicians, all of whom compromise a total engaged in this field which far exceeds the combined total number of scientists and technicians engaged in the same field of research today in this country, in both public and private agencies.

In addition to the Russian Institute of Bituminous Coal Research, there are at least 10 subsidiary institutes engaged in coal research in the major coal-producing regions throughout the Soviet Union. I do not believe that the importance of the point my colleague from West Virginia and the Senator from Kentucky have made can be exaggerated—namely, that the Soviet Union is already engaged in this effort. We should not be unmindful of the fact that the United States will soon fall into a secondary position so far as coal production is concerned, and that Soviet Russia is fast becoming the leading coal-producing country in the world. When we think of the importance of coal as a fuel and as a power resource in peace and war, it becomes all the more imperative that we try to take steps to catch up, lest one of these days it becomes too late.

I thank the senior Senator from West Virginia for yielding.

Mr. RANDOLPH. My able colleague from West Virginia has made a further contribution to our reasoning, which we believe to be valid, as to why the bill should be enacted into law during this first session of the 86th Congress.

We know, Mr. President, that with our growth as an industrial Nation, which has been parallel to the advancement made by coal as a major source of energy, we must take those steps which are necessary to make its position more positive in the energy field. This is essential to our country in time of peace, and is especially so during periods of stress, when the national security is endangered or is under direct aggression.

Coal mines, unlike battlefields or ordnance works, cannot be placed in mothballs or on standby status. A deteriorated mine soon becomes totally nonproducing, and new coal mines of the modern, high-productive type cannot be obtained quickly and placed in operation without tremendous capital expenditures. Hence it is highly essential that for defense readiness reasons the coal industry be kept ready and responsive to the country's security needs.

There is no profit to local, State, or Federal economy or government in idle and abandoned mines. In such status they cannot guarantee any economic stability to the United States. Coal, Mr. President, is a priceless ingredient in the economic worth of our Nation, and is essential in the production of steel and for the generation of most of this country's electric energy. What could be more important to our industrial strength?

West Virginia produces almost one-fourth of the bituminous coal of the Nation, and is the leading bituminous coal producing State of the Nation. I have been closely associated with the problems of this industry for many years, and of course I am aware, as is the distinguished Senator who is my colleague from West Virginia, of how much the health of this industry means to the State of West Virginia and to the Nation as a whole.

While we boast of the fact that America has enough coal to last more than 2,000 years at the recent rate of consumption, we are prone to overlook some of the more unfavorable features. For example, the reserves of the high-grade coking coal needed for steel manufacturing are not so plentiful that a scarcity problem might exist in the immediate future.

In October 1945, while a Member of the House of Representatives, I observed in that body during debate on an appropriation item for coal studies and investigations by the Bureau of Mines:

> It is true that we have plenty of coal as far as quantity is concerned, but that certainly is no reason why we should fail to use it prudently, conserve some of the best coal for posterity, exact every possible unit of energy from our coals, and otherwise see that none of this valuable resource is wasted.

I was speaking then, as I speak now, of a great need for both a national fuels energy policy and proper research—and I added:

> In the history of the world, and in our own history, we have many examples of the unwise use of natural resources and the dire consequences that inevitably follow. We cannot afford to take changes with coal, the mainspring of our industrial economy.

I warned:

> An inventory of American coal resources and a wise use of coal resources throughout the years to come certainly is not to be considered as an emergency wartime expediency and something that should be dropped like a hot potato the minute peace returns.

Mr. COOPER. Will the Senator yield?

Mr. RANDOLPH. I yield to the Senator from Kentucky.

Mr. COOPER. I think the Senator has brought up a very important point, namely, that while we all agree that the establishment of a Research Coal Commission will have great value, that in itself will not be sufficient to meet all the problems of the coal industry.

I am glad the Senator has pointed out that there should be developed a national fuel policy, certainly a national policy relating to coal. Such studies have been made. Work is going forward in that direction now, as the Senator knows well, joined in by both the producers and the United Mine Workers of America, and there is need for a total policy with respect to coal.

Mr. RANDOLPH. The Senator from Kentucky is certainly helpful in directing our attention again to the need for an overall approach to the need for a fuels policy which can serve the Nation. I think that cooperative effort, which is now moving forward in this area of our national security, is one which is wholesome and indicative of a constant approach which was lacking perhaps 5 or 10 years ago.

To continue with the words which I spoke:

> Coal, as the basis of our national economy in war and peace, deserves the best consideration from the Congress.

The following spring, in May 1946, I pointed out:

> The country's position with regard to petroleum reserves has become more critical in recent years. Heavy demand has continued in spite of the end of the war. * * * Not only is the total quantity of oil discovered each year decreasing, but the size of new fields is small when compared to the strikes found in earlier years.

Projecting this discussion, I commented:

> To supplement the supply of petroleum in this country, we are considering exploitation of foreign fields. Oil concessions to be divided between the nations in some of the world areas are major sources of international contention and bickering. While this is going on, it is folly not to prepare to utilize our vast reserves of oil shale or other solid fuels which furnish almost limitless sources of the liquid products so essential to our normal economy and indispensable in time of war.

I would state again that in the 10-year program we were thinking not only of the processing of gasoline, high-octane gasoline to be used in aircraft, obtained from coal, but we were studying uses for the oil shales in the States of Colorado and Wyoming and other sections of the West.

Unfortunately, this research program to which I have made reference was one of the important activities which I call to the attention of my colleague from Utah [Mr. Moss], was permitted to drift and to expire, even though substantial progress was made in synthetic fuels research and production.

Mr. President, I reiterate another comment I made in an appeal in the House in 1946 for realistic approaches to minerals and fuels research authorizations and appropriations:

> There are many who say that we have become a "have-not" nation in the minerals field. They maintain that our only chance of competition with other nations industrially is to import our mineral raw materials. I do not agree with this view. I believe we have in this country untapped resources that can be utilized to maintain our position of world leadership. * * * But we shall have to develop new technologies in mining and metallurgy for the use of industry so that the vast deposits of minerals may be used in the most effective way for the welfare of the Nation. An active solvent domestic mineral industry is absolutely essential, both to the national security and the national economy.

There is no question of the national need for a broad program of exploration and research. Our high standards of living and our national security demand it. But such a program cannot and will not be undertaken, except on a very limited scale, by private industry, for it is obvious that most of the discoveries which will be made will not be immediately economic to exploit. Only a federally sponsored program can carry out the necessary objectives.

In the past, the Bureau of Mines has demonstrated conclusively the great value of pilot-plant work. So have other governmental instrumentalities.

Looking ahead, Bureau of Mines researchers say it is inevitable that oil and gas reserves will diminish and price will increase; that economical and safe competitive production of energy from fissionable material along with economical production of solar energy seem impossible for many years.

Increasing requirements for liquid and gaseous fuels in the next 15 to 20 years, experts predict, will open up huge new markets for coal as a substance for conversion to gas and synthetic liquid fuels.

To satisfy this future energy hunger, the coal industry must be helped to solve today's problems and shape long-range plans now—not later.

Internal revenue figures for 1952, for example, showed that the bituminous industry had a net profit after taxes of less than $34 million. The petroleum industry invested more than four times that much in research alone. However, research in the coal industry is meager, mainly due to a lack of funds, as the junior Senator from West Virginia [Mr. BYRD] has said—and others have concurred in his view—compared with other industries. Why?

Consider this: Coal prices in past years have dropped as other prices went up, and mining has become a costly business. It take $10 or more per ton of annual capacity in some areas to build a modern deep mine. Such a mine would take perhaps 2 years to complete and may need sales up to 2 million tons a year to insure proper support. It must make money to attract capital to supplement its own funds. Some analysts estimate that the industry will have to attract at least $1 billion in the 5 to 6 years ahead to replace exhausted mines and meet required capacity.

Indeed, Mr. President, it is unfortunate that earlier action has not been taken to follow through on the 1955 pronouncement of the President's Advisory Committee on Energy Supplies and Resources Policy. That group called coal a great national asset, and it recommended a cooperative industry-Government study for research and development possibilities. We have the opportunity to make up somewhat for the time lost. We should take advantage of it by enacting this measure without further delay.

Mr. ALLOTT. Mr. President, I offer as an amendment Senate bill 1362, in the nature of a substitute. I do not ask that it be read, but I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, Mr. ALLOTT's amendment in the nature of a substitute was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior, acting through the Bureau of Mines shall—

"(1) develop through research, new and more efficient methods of mining, preparing and utilizing coal;

"(2) contract for, sponsor, cosponsor, and promote the coordination of, research with recognized interested groups, including but not limited to, coal trade associations, coal research associations, educational institutions, and agencies of States and political subdivisions of States;

"(3) establish technical advisory committees composed of recognized experts in various aspects of coal research to assist him in the examination, evaluation, of research progress on all research proposals and contracts and to ensure the avoidance of duplication of research; and

"(4) cooperate to the fullest extent possible with other departments, agencies, and independent establishments of the Federal Government and with State governments, and with all other interested agencies, governmental and nongovernmental.

"SEC. 2. Research authorized by this Act may be conducted wherever suitable personnel and facilities are available.

"SEC. 3. No research shall be carried out, contracted for, sponsored, cosponsored, or authorized under authority of this Act, unless all information, uses, products, processes, patents, and other developments resulting from such research shall be available to the general public. Whenever in the estimation of the Secretary of the Interior the purposes of this Act would be furthered through the use of patented processes or equipment, the Secretary is authorized to enter into such agreements as he deems necessary for the acquisition or use of such patents on reasonable terms and conditions.

"SEC. 4. (a) It is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, not to exceed $20,000,000 to be used to carry out the purposes of this Act for the fiscal year beginning July 1, 1959.

"(b) There is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, such sums as may be necessary to carry out the purposes of this Act."

Mr. ALLOTT. Mr. President, I ask unanimous consent, without losing my right to the floor, that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ALLOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ALLOTT. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, my remarks should not exceed 10 to 15 minutes, not including such remarks as may be made in opposition. My amendment is an amendment in the nature of a substitute.

There is no reason why we should not be able to proceed within a very few minutes to a yea-and-nay vote on the question of agreeing to this amendment.

Mr. MANSFIELD. Mr. President, will the Senator from Colorado yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Colorado yield to the Senator from Montana?

Mr. ALLOTT. I am very happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, after consultation with the majority leader since I heard the Senator from Colorado state how long he would speak, and after consultation with the chairman of the subcommittee, I ask unanimous consent that further debate on the pending amendment be limited to 30 minutes, to be divided equally between the two sides, and to be controlled, respectively, by the Senator from Colorado [Mr. ALLOTT] and the Senator from Utah [Mr. MOSS]; and that then the Senate vote on the question of agreeing to the amendment.

Mr. ALLOTT. Mr. President, in connection with such arrangements, I have often found myself "boxed in." Although I think I shall be able to conclude my remarks in 15 minutes, I do not wish to be confined strictly to such a limit. However, I assure the Senator from Montana that my remarks will be brief and to the point.

Mr. MANSFIELD. Very well.

Mr. ALLOTT. Mr. President, the pending bill was originally passed by the House of Representatives as House bill 6596, to encourage and stimulate the production and conservation of coal in the United States, through research and development by creating a Coal Research and Development Commission, and for other purposes.

So far as the purposes of the pending bill and the purposes of the amendment in the nature of a substitute which I have submitted are concerned, there is no difference between them. Those of us who come from coal-producing States—whether we come from Virginia or West Virginia or Maryland or Montana or Colorado or any of the other coal-producing States—are, I am sure, agreed in the belief that it is time to put into motion in the United States the machinery for a research and development program, not only for the purpose of finding more efficient ways to produce coal—for, after all, coal presently is being produced efficiently in the United States, and more efficiently than anywhere else in the world—but, rather, for the purpose of finding new ways to utilize the coal reserves we have. The coal reserves of the United States are fabulous in size.

Perhaps no one else has stated the situation better than did Mr. John Owens, secretary-treasurer of the United Mine Workers of America, who testified in regard to these measures. In the course of his statement, he said:

Byproducts of coal, 200,000 at the latest count, touch the American family's life a thousand times a day: Vitamins, insecticides, aspirin, drugs, phonograph records, dyes, paints, synthetic fibers, weed killers, cleaning fluids, fertilizer, film; the list is nearly endless. Yet the potential use of coal and its byproducts through research have scarcely been touched, and this research can only be done through the utilization of Government funds.

* * * * *

Low temperature carbonization of coal is a process to draw off the chemical components of coal by subjecting the coal to measured amounts of heat.

* * * * *

There is one area of research and development which is of particular importance to our country. I refer to the manufacture of petroleum and gas from coal.

He cited many other instances.

So, Mr. President, the real issue confronting us is simply whether we are going to establish a Research Commission which, in effect, will be a new, independent Commission; or whether we are going to place in the Bureau of Mines, in the Department of the Interior, the responsibility for carrying out this program.

It has been stated that such a program has never been carried out by the Bureau of Mines; that even with the great amount of research work the Bureau of Mines has done, the Congress has never given the Bureau such a directive.

Of course, the advantages of having the Bureau of Mines do the job are numerous.

At this time, I may say—in order to correct any misunderstanding of the statement I have just made—that the committee amendment on page 2 of the bill, in section 3, subsection (a), would strike out the words "as an independent agency in the executive branch," and, at the end of that subsection, would insert "the Commission shall be located for administrative purposes in the Department of the Interior."

What the new sentence means, I do not know. It was added in an attempt to arrive at a compromise. However, I do not think it was a very good one, because the new sentence would place the Commission "for administrative purposes," but not otherwise, in the Department of the Interior, probably in the Bureau of Mines.

So, Mr. President, what is the Senate going to do today? Will the Senate vote to establish a completely new research commission, and make it entirely independent of the Department of the Interior? That is what the bill, as passed by the House of Representatives, does. Or will the Senate vote that "the Commission shall be located for administrative purposes in the Department of the Interior"? That is what the pending committee amendment would do.

On the other hand, my amendment in the nature of a substitute provides that—

The Secretary of the Interior, acting through the Bureau of Mines, shall—

(1) develop through research new and more efficient methods of mining, preparing, and utilizing coal;

(2) contract for, sponsor, cosponsor, and promote the coordination of, research with recognized interested groups—

And so forth, and—

(3) establish technical advisory committees * * * to assist him in the examination, evaluation, of research progress on all research proposals and contracts and to ensure the avoidance of duplication of research; and

(4) cooperate to the fullest extent possible with other departments, agencies, and independent establishments of the Federal Government and with State governments, and with all other interested agencies, governmental and nongovernmental.

My amendment in the nature of a substitute also provides, in section 2, that "research authorized by this act may be conducted wherever suitable personnel and facilities are available."

So far as the location of the Commission is concerned, I do not think anyone doubts that it will take at least 1 year for the Commission to locate the proper personnel for the project. When the project is underway, where will the necessary information be obtained? If the Commission is administratively within the Department of the Interior, the Commissioners will have to walk over to the Bureau of Mines and obtain all the information and facts on coal the Bureau of Mines has been collecting for years and years, and then arrange to have that information utilized by the new agency, which also will be located within the Department of the Interior.

From the administrative point of view, I think almost everyone will agree that such procedure would be a very poor one.

The Bureau of Mines already has the machinery with which to do the necessary research work, and also have a valuable corps of research workers. Of course that corps can be increased in size. However, the bill as reported to the Senate from the Committee on Interior and Insular Affairs, would result in the establishment of two different teams, whereas the work could be done properly by only one team.

I recognize the integrity and the good faith of those who wish to have a separate Commission established. They believe that is necessary in order to get a little drive behind this program. I want such a drive behind the program, too; all of us want such a drive behind this research program, once it is established.

But we are also faced with the fact that the Bureau of the Budget has reported adversely on the pending bill, and so has the Department of the Interior. Those reports are to be found on pages 4 and 6 of the hearings on the pending measure.

Mr. President, in order to get this program into effect, what must we do? Inasmuch as the Bureau of the Budget has not really strongly endorsed the pending bill, although the Budget says it much prefers the amended version of the bill which our committee has reported to the Senate; and inasmuch as the Department of the Interior is opposed to the bill in its present form, if we really wish to get such a program into operation, are we not more likely to obtain that result if we take the suggestion of the Department of the Interior and the Bureau of the Budget?

I am not unmindful, either of the fact that the people whose lifeblood depends on this kind of research development, the mineworkers, as represented by the United Mine Workers of America, have placed themselves squarely and unequivocally on record as being opposed to the approach which the pending bill uses, and as being in favor of the amendment. Mr. Owen said:

We feel that the Interior Department, with its years of experience, is the Department that is more familiar with the coal and mineral resources than any other department of our Government or any other agency that can be established. I am glad to know that there are no objections to creating this research group. The only questions is, What department shall man or administer it?

Well, that seems to us to be a minor question that can be resolved. The United Mine Workers of America are hoping that the Congress will adopt this into law and place it in the Interior Department because of its long experience in the coal industry.

Mr. President, I have mentioned several matters. I desire to refer to two more, and pound them home. First of all, the greatest number of vacancies in positions in the United States today is in positions requiring trained personnel to do research work. Congress enacted last year the National Defense Education Act for no other reason than that we in this country were lacking in needed scientific research personnel. Are we going to establish a completely separate agency which will duplicate much work already being done on mines, and drain and deplete further the ranks of scientific research workers in this country; or are we going to take what we have, add a few more personnel to that agency, and come up with a real program?

The second and last point which I wish to emphasize is that, not only because of the situation which exists in the Department of the Interior and the Bureau of the Budget, but from the standpoint of the sheer matter of time, if we desire to see a coal research development project get under way and catch fire, we cannot wait a year while a new Commission establishes itself with its desks and its office space and its personnel and gets researchers from all over the country. We cannot wait a year while those persons can be gathered together. We had better start now with what the Bureau of Mines has, expand that agency, and get the program going, because, if the amendment is adopted, the program will start moving at least 1 year before the other program would.

UNAMIOUS CONSENT AGREEMENT TO LIMIT DEBATE

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

Mr. MOSS. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a time of limitation may be placed on the pending amendment, with 10 minutes to be alloted to the Senator from Utah [Mr. Moss], chairman of the subcommittee, 5 minutes to the Senator from Illinois [Mr. DIRKSEN], and the last 5 minutes to the Senator from Colorado [Mr. ALLOTT], after which a vote shall be taken.

Mr. ALLOTT. Mr. President, it is understood, of course, that I may yield any of my time to another Senator.

Mr. MANSFIELD. It is understood that the Senator may do so.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered.

Mr. MOSS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. MOSS. Mr. President, the amendment which is now before the Senate was discussed rather fully in the committee at the time the bill was being considered. The proposal of the Senator from Colorado, who, I am sure, is as anxious as anyone else to find a solution to the problem, entails an additional appropriation for the Bureau of Mines. The amendment proposes an appropriation of $20 million for the next fiscal year.

The Bureau of Mines has had all the time the responsibility for research into this field, as well as in other mining fields. One of the complaints which has been made is that the Bureau of Mines has not conducted the type of research necessary for the coal industry at this time. In the report it was pointed out that the research carried on by the Bureau of Mines is long-range, and is not of any immediate value. Moreover, my colleague from Colorado intimated that the Commission, if created, would duplicate the work of the Bureau of Mines and other agencies. As a matter of fact, the bill specifically requires the agency to coordinate the research done by the Bureau of Mines and by all other research agencies, and specifically prohibits it from duplicating the work done.

The one great advantage there would be in having a Research and Development Commission would be that it would be a coordinating agency to gather the research efforts of existing agencies, and then point to areas not being covered by present research.

My colleague also complains about the fact that it would be an independent agency, and for that reason he would be opposed to it. It would be independent in that it would be charged with certain duties to perform and would be given certain requirements which it must observe; but for administrative purposes, it would be limited within the Department of the Interior, which means, in so far as administrative matters, personnel matters, and similar matters, are concerned, they would be handled within the Department of the Interior. The report, when it was made by the Commission, would be made to the Secretary of the Interior for transmittal to the President and to the Congress.

Mr. President, this is not a new or novel proposal. Many times there has been established a special agency which has been concerned with a particular problem, and it has been placed, for administrative purposes, within one of the departments of Government. The proposal gets away from the necessity of having another administrative agency which would report directly to the Congress or the President. It has a place within the hierarchy of an administrative department.

I should like to point out, finally, that because of the number of years—at least a decade—which have elapsed during which the problem has existed, and during which it has grown more acute, we have not been able to get a focus on the problem through the Bureau of Mines or through any of the constituted departments. It seemed necessary to select a qualified agency, which it is now proposed to do, providing for the qualifications of persons who would constitute the Research Commission, and giving the Commission charge of the problem, pinpointing and focusing attention on the problem, and providing an appropriation to carry out the particular function. The bill so provides. I believe that is the effective way to deal with the problem facing us.

As the committee did, I oppose the amendment which is offered by the Senator from Colorado, which is simply a proposal for a continuation of a program which already is in existence, with a little extra money given to the Bureau of Mines. That is about all it amounts to.

I hope the Senate will reject the amendment, and will act favorably on the bill before it.

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

Mr. MOSS. I yield.

Mr. CARROLL. How much time do we have for a discussion of this matter?

Mr. MOSS. I have only 10 minutes.

The PRESIDING OFFICER. The Senator from Utah has 1 minute remaining of the time he allotted to himself.

Mr. CARROLL. Will the Senator yield me 3 minutes, if not at this time, later, so I may have a little time to discuss the matter?

Mr. MOSS. I have been allowed 10 minutes in opposition to the amendment.

The PRESIDING OFFICER. The statement of the Senator is correct. The Senator from Utah has 1 minute remaining of the time he allotted to himself, and a total of 6 minutes.

Mr. CARROLL. I should like to have about 3 minutes of that time. I do not care to speak at this time, if I can reserve 3 minutes.

Mr. MOSS. Mr. President, I yield 3 minutes to the Senator from West Virginia [Mr. BYRD].

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 minutes.

Mr. BYRD of West Virginia. Mr. President, I rise in opposition to the amendment offered by the Senator from Colorado.

Mr. President, I should like to quote from the report of the House Subcommittee on Coal Research. I think these excerpts go to the point:

> A short-range, federally supported coal research and development program such as that referred to in the preceding paragraph, if it is to be conducted expeditiously and effectively and achieve the maximum end results, should utilize the research facilities and personnel of industry associations, universities, and other nonprofit organizations, of private consulting firms and of the Department of the Interior and other Federal agencies, to the extent it is practical to do so, and should be administered by an independent Federal agency which must not be shackled and inhibited by such traditional approaches and restrictive policies as control research activities in the Department of the Interior.

Mr. President, this special subcommittee of the House of Representatives spent a long time in considering this important problem. It heard representatives of the coal industry. It heard representatives of labor. It heard representatives from Government agencies. After long, arduous, and careful study it was the consensus of opinion of the special subcommittee that this program should be conducted by a separate agency and not by the Bureau of Mines.

The same subcommittee said in the same report:

> And the Bureau of Mines, as a matter of policy, does not concentrate its coal research activities on efforts to solve the short-range problems of the industry. Most of the Bureau's work on coal, which now amounts to about $5 million annually, is in the area of long-range research and is of such nature that it appears unlikely the average coal producer will be benefited by it.

And the subcommittee further said:

> The Bureau of Mines does not look with favor upon an expanded coal research program along the general lines suggested by the National Coal Association and as suggested by practically every witness appearing before the subcommittee on behalf of the coal producers, mine workers, State organizations, community officials, civic groups and coal-carrying railroads.

The distinguished Senator from Colorado spoke about the position taken by the United Mine Workers of America. I understand that the United Mine Workers of America expressed a preference for the program's being under the supervision of the Bureau of Mines, but I am also informed that the organization would be happy to have this legislation enacted into law as it is presently written.

The PRESIDING OFFICER. The three minutes allotted to the Senator from West Virginia have expired.

Mr. MOSS. Mr. President, I shall be happy to yield the Senator 1 more minute.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to speak for 3 additional minutes.

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

Mr. BYRD of West Virginia. Mr. President, I should like to read from the hearings conducted by the Senate committee, which include the testimony of Mr. John Owens, secretary-treasurer of the United Mine Workers of America. In answer to the question "What department shall man or administer the program?" Mr. Owens answered:

> Well, that seems to us to be a minor question that can be resolved. The United Mine Workers of America are hoping that the Congress will adopt this into law and place it in the Interior Department because of its long experience in the coal industry.

Mr. President, I am not so sure that the United Mine Workers of America is particularly wedded to the idea that this should be put in the Bureau of Mines.

The National Coal Association has urged that there be a separate agency.

As I have already pointed out, Mr. President, the special subcommittee rec-

ommended that there be a separate agency.

I personally believe, in view of the experience I have had in Washington, after 6 years of service in the Congress, that a separate agency will be more effective, and will approach the problem with greater enthusiasm and with a greater vision than would be the case if the program were under the auspices of the Bureau of Mines.

I find in the various governmental departments that there is a tendency for the departments to grow and grow until a mountainous bureaucracy is created amid a blizzard of paper work. In such a case, there is a resistance to new ideas. There is a reluctance to try new approaches. These agencies which have many and diverse functions and responsibilities tend to become musclebound.

So, Mr. President, I think if we are to expect to have an effective coal research program, we must entrust it to an agency which has no other responsibility except the single objective of coal research. Then we can have enthusiastic and new approaches to problems.

The agency, as is comprehended in the proposed legislation will engage in a short-range research program, the type of program which will benefit the small producers, which make up the great percentage of the coal industry today, as well as benefiting the large producers.

The Bureau of Mines has done an excellent job, but it has other objectives, other responsibilities, and other functions. I maintain that if we expect the program to be an effective one, we should try a new and bold approach by creating a new agency, the responsibility of which is to conduct an intensive program of coal research and nothing else.

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

Mr. BYRD of West Virginia. I have one further point to make before I yield to my colleague.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. BYRD of West Virginia. Mr. President, I ask the Senator from Utah to yield me 1 additional minute.

Mr. MOSS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Utah has 3 minutes remaining.

Mr. MOSS. I am sorry; I have agreed to yield 3 minutes to the Senator from Colorado.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may continue for 30 seconds.

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

Mr. ALLOTT. Mr. President, I did not hear the request.

The PRESIDING OFFICER. The Senator from West Virginia asked unanimous consent that he be permitted to proceed for 30 additional seconds.

Mr. ALLOTT. I have no objection.

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

Mr. BYRD of West Virginia. Mr. President, I merely wish to bring to the attention of the Senate a statement which was made by Mr. Ankeny under questioning by the House subcommittee. When he was asked the question, If an independent commission were set up, what would the Bureau of Mines do then in regard to research? Mr. Ankeny, the head of the Bureau of Mines, said, "We will increase our research in the field of coal."

Mr. Ankeny's statement is adequate evidence that it is best for us to vote against the amendment offered by the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. MOSS. Mr. President, I reserve my remaining 3 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, the pending amendment gives me some difficulty, because I am a conformist so far as administrative techniques are concerned. I believe there is wisdom in the recommendation made by the Hoover Commission, over a long period of time to keep clearly defined the lines of responsibility in the executive branch from the top to the bottom.

I was candid enough to state before the committee, when I testified, that a proposal to set up an independent agency without or aside from a Cabinet department obviously gives me some trouble, unless there is a thoroughgoing justification for it. I believe in this case there is justification for it.

I think, in the main, the Bureau of Mines has not particularly failed us in its lines of endeavor, but with some boldness and imagination it could have gone infinitely further in the coal industry, and I doubt whether the coal industry would find itself in its present distress and in its present difficulty if that had been done.

Years ago I said that if an equal amount of imaginative effort had gone into the production of a steam automobile, instead of a hydrocarbon-motored automobile, the chances are there would be many more steam automobiles operating in America today. But young minds, fresh minds, informed minds, and imaginative minds got into the hydrocarbon field and pushed steam off to one side. After the last White and Stanley Steamer, we heard nothing more about the steam automobile.

I think if we are going to resurrect the coal industry we will have to follow a similar course. If we entrust this program to the Bureau of Mines in the Department of the Interior, we will have the same people who have been there for a long, long time working on it. The results which have been achieved thus far do not indicate that we would make very much progress if this program were committed to the same people. When I say that I do not disparage them for a moment, I do not reflect upon them. But the coal industry is in trouble, and it cannot wait 25 years to be lifted out of its distress. Some fresh thinking must be injected into it, or it will continue to languish, and there will be a greater succession of ghost towns from one end of the country to the other in the Coal Belt.

I know what a ghost town in a mining area is like. There are ghost towns in my old congressional district, and there are ghost towns in southern Illinois.

So, as I evaluate the verities and the equities and put them in balance, it seems to me that, notwithstanding the fact that we are departing from a sound administrative approach, on the other side is the necessity for doing something for an industry which is truly in distress.

If anyone has any doubt about it, he need only go to West Virginia, Kentucky, portions of Pennsylvania, southern Illinois, or Ohio, and he will discover for himself what the problem is.

So, putting it on balance, I believe the amendment of the Senator from Colorado should be voted down, and that we should make a try. This bill represents the thinking of the House, as well as of the Senate committee. Under the circumstances, I believe the bill should be approved without the amendment of my distinguished friend from Colorado [Mr. ALLOTT].

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD at this point a statement which I have prepared containing certain data which I have developed with respect to coal as an energy source and what it will mean to the future of this country.

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

STATEMENT BY SENATOR DIRKSEN

The forward development of modern civilization is very largely predicated upon our ingenuity in the utilization of energy. While there can be no doubt that in years to come nuclear energy will play a more important role than it has in the past, for generations to come our economy will be based upon our ability to use the vast energy resources from fossil fuels, with which our great land has been blessed.

I have joined with a number of my distinguished colleagues in introducing S. 49, a bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission.

In future years our ability to compete with other nations will be greatly affected by the cost of electrical power, which, in turn, will be largely influenced by the cost of fuel.

In 1952 two of the foremost experts on energy resources, Mr. Eugene Ayres, technical assistant to the then executive vice president, Gulf Research & Development Co., and Mr. Charles A. Scarlott, editor, Westinghouse Engineer, collaborated on a book entitled "Energy Sources: The Wealth of the World." Their review of the world's energy sources clearly shows the necessity for the legislation we are sponsoring. Let me read a few important passages from their excellent analysis:

"Coal is by far the most abundant fossil fuel. The magnitude of coal reserves is, therefore, of the greatest importance. Several estimates have been made for the world, but these estimates are little more than informed guesses. Table 3 shows two sets of figures which are, perhaps, equally unreliable. The totals are about the same, but the later estimate shows North and South America revised sharply downward and Asia revised sharply upward. Most of the American coal is in the United States. Most of the Asiatic

coal is in China. Both sets of figures are based on the assumption that coal can be recovered with little loss from depths of several thousand feet. The 1938 estimate assumes 3.2 trillion tons in the United States, but it will be seen that this figure must be considerably discounted. Similar reductions may have to be made for Asiatic coal, but no evidence on this point is available now, and will probably not be forthcoming for a long time. Fuel production, essentially all coal, in the Soviet Union has been doubling approximately once in 5 years, an increase of about 15 percent per year, except in the early part of World War II. If this growth curve should continue, energy production would equal that of the United States within 7 or 8 years. It is possible, though improbable, that the Soviet will achieve this goal before 1960 unless another war intervenes.

TABLE 3.—*Estimated coal reserves of the world*

[In trillions of tons]

	1913	1938
North and South America	5.1	4.3
Asia	1.3	2.0
Europe	.8	.8
The rest of the world	.2	.2
Total	7.4	7.3

"Coals vary in their usefulness. The most generally useful coal is bituminous because some of it is the only source of metallurgical coke, it is good for steam boilers, and it is a preferred coal for conversion to liquid fuel. It happens that more than half of the bituminous coal of the earth is in the United States. More than 80 percent of the anthracite coal is in Asia. America has about 93 percent of the subbituminous and lignite. Of the total world reserves, 53 percent is bituminous, 40 percent is subbituminous and lignite, and 7 percent is anthracite. In the United States most of the bituminous and all of the anthracite are east of the Mississippi River, and most of the subbituminous and lignite is in the West.

"Unlike petroleum there is no reason to expect a natural limitation to the rate of production of coal in the United States within this century. The limitations will be those imposed by labor relations, transportation, consumer demand, and supplies of labor, water, and capital. The first three of these factors have been controlling influences in the past. The last three will be more influential in the future."

The quotations I have just read show the need for our accumulating more knowledge about our coal reserves and their availability, particularly in view of our competition with the Iron Curtain countries.

Again let me include some additional comments from their excellent study of our energy. They say:

"About all we really know about coal reserves is that there appears to be lots of coal in the world; that the United States has a substantial proportion (perhaps almost one-half); that North America probably has somewhat more than one-half of the world's supplies. Instead of 7 trillion tons there may be double that. On the other hand there may be less than half that.

"The reasons for such uncertainty with regard to coal resources are many. The so-called 'geologically inferred' estimates for the areas that have been explored are neither 'fish nor fowl.' They do not express the total accumulations of coal deposits regardless of recoverability, nor do they express the amount of coal that can be practically recovered. They are somewhere in between. When we dig where geological maps show coal, we sometimes find no coal because of faulting or the pinching out of coal seams. An immense amount of coal can never be recovered because the seams are too thin or because they slope too much or are otherwise located badly. Dr. A. C. Fieldner, U.S. Bureau of Mines, believes that 'further investigation of our coal reserves by core drilling methods may cut down the geologically inferred reserves as much as 50 percent.' Estimation of any resource underground is not an exact science; and coal, in some localities, is erratic in its conformations. Widely quoted figures from U.S. Geological Surveys have been wrongly construed as proved reserves. Instead, they have been geological estimates of coal deposits having a minimum bed thickness of 14 inches for bituminous and anthracite coals, 2 feet for subbituminous coal, and 3 feet for lignite. Beds have been included to a depth of 3,000 feet below the surface.

"In 1907, 1936, and then in 1944, geological surveys indicated that the U.S. reserves (prior to the start of mining) had been about 3 trillion tons. But the reserve figures include deposits that must now be regarded as unrecoverable in a practical sense. The U.S. Geological Survey is now making a careful study, in cooperation with industry, to determine present practically recoverable reserves. Net figures will be obtained by subtracting production and losses, and the figures for reserves before mining will be reexamined in the light of more modern geological and mining data. Until this study is completed, we shall have no realistic picture of the present recoverable coal reserve—the reserve upon which we shall have to depend in the future for economical fuel."

These statements by acknowledged technical experts demonstrate the need for determining our long-range coal reserves. Their research provides compelling reason for the creation of a Coal Research and Development Commission.

However, our immediate concern is to develop new and effective uses for coal and to reduce the cost of coal production and distribution. This is important so that coal, which constitutes our largest readily available source of energy, may be used to its maximum advantage. This will permit the conservation of liquid fuels from petroleum, since they have a unique role in our economy in the propulsion of automobiles, airplanes and other vehicles. Messrs. Ayres and Scarlott also said:

"One of the most difficult of intellectual tasks is to maintain a sense of proportion. When we hear a very large number or a superlative adjective, we cannot help being vaguely impressed. Trillions of tons of coal, hundreds of billions of barrels of oil and tar, mountains of oil shale, many tens of thousands of square miles of peat bogs—what does it all mean? Can we sit back comfortably with a sense of abundance of natural resources? Can we regard seriously the optimistic pronouncements of all the energy we shall need for thousands of years? With the background of knowledge of processes by which one form of energy producing material can be converted to another, can we assume that as one fuel is exhausted we can turn to another? Can we be reasonably certain that when fuels are gone we can depend upon nuclear energy?

"The answer to most of the questions is no. As for conversion, the answer is yes, at a price. * * * But in the meantime let us look at the whole fossil-energy picture.

"Our present requirement is made up of various fossil fuels, wood fuel, and hydroelectric power. The total amounts divided by our annual consumption of energy would seem to represent the number of years that each reserve would last if we used that material alone to fill all of our energy needs. But it is not as simple as this. The requirements of the United States for energy are going up year by year. Even on a per capita basis the demand for B.t.u. is increasing. World requirements will go up even more rapidly because most of the world is starting from a much lower point. The world as a whole is using wood more rapidly than the wood is growing, and as the use of wood falls off the use of fossil fuel must grow. The conversion loss of fuel is increasing because of the growth of demand for electric power. Conversion losses will increase to substantial proportions of total energy requirements when we begin large-scale manufacture of liquid or gaseous fuel from coal. In spite of technological progress in the devices for fuel use, the overall efficiency of fuel utilization is tending downward. * * *

"The total energy reserves of the United States and of the world are almost the same when expressed in terms of the respective energy requirements. The reason for this is that the high proportion of the world's principal fuel (coal) located in the United States is offset by our relatively high energy demand.

"Coal is so much more abundant than any other fossil fuel that inaccuracies in the other fuel reserve figures are of little overall consequence. What is left of our fossil-fuel era depends upon coal. If we find twice as much oil and gas, or if we can recover 10 times as much tar, or if we can produce all of our shale oil, the picture will not be greatly changed.

"The maximum totals are almost 10 times as great as the minimum totals. This does not mean that the fossil-fuel era will be nearly 10 times as long if we can get the maximum amounts. The various factors that affect life conspire to subordinate actual reserve magnitudes. It will be seen that the energy picture of the future is fundamentally the same almost regardless of our choice of figures."

Coal is not only a source of energy, but it is the basis for our iron and steel industry. Iron ore would be of very little value without coking coal to reduce the ore to metal. We are very rapidly using up our better deposits of coking coal, and before long we will have to find ways to adapt our manufacturing processes to use what is now regarded as inferior coal. The establishment of a Coal Research and Development Commission can play an important part in finding ways to adapt these deposits to the needs of our metallurgical industries. Again let me quote directly from Messrs. Ayres and Scarlott:

"About 20 percent of the bituminous coal produced is used to make coke. F. M. Becker, of the United States Steel Corp., has made a thoughful analysis of our reserves of good coking coal, and he points out a number of interesting things. 'Coking-quality coals are found only in the semibituminous or bituminous rank. These groups also include a variety of other coals that do not produce a homogeneous mass on heating and, therefore, are noncoking.' The depletion of coking coals has progressed three times as rapidly as the depletion of noncoking coals, although coking coals originally constituted far less than a fifth of our total coal reserves. The quantity of high-quality coal (low ash and low sulfur) is only a small fraction of the reserve of coking coal. '* * * It is generally agreed that a high percentage of exhaustion (of good coking coals) has been achieved * * * it is evident that future coals will be higher in average sulfur than those formerly available.' Fortunately, 'acceptable pig iron can be made with coke higher in sulfur than indicated by presently established standards.' It is possible to desulfurize iron; and, when low-sulfur coal is no longer available, this will have to be done.

"In 1950, the Bureau of Mines completed a survey of coking-coal reserves in Cambria County, Pa. It was estimated that less than half of the coal in beds of 28 inches or more thickness is recoverable by present mining methods. The average recovery in Cambria County has been only about 48 percent, and

this applies to beds not less than 28 inches thick. At least 500 million tons of coal are believed to exist in this county in beds between 14 and 28 inches, but beds that are thin are not being mined because costs of recovery are too high. This is symptomatic of the coal-mining situation everywhere. The Bureau of Mines is studying the coking properties of coals not now widely used for making metallurgical coke, and also the possibilities of upgrading marginal coals by the use of suitable preparation steps. This work was stimulated by the concern over shortages of high-grade coking coal that impeded steel production during World War II.

"The steel industry is nearing the time when it must adapt its manufacturing process to inferior coal (85 percent of its coal is for metallurgical coke), and the time is not too far away when it may have to make really fundamental changes in its ore-reduction practice. It is unfortunate that we should continue to speed this day by burning good coking coal in our domestic furnaces and industrial steam plants. Low-cost abundant steel is so vital for all of us that the time may come when we may prefer to see our remaining coking coal used for metallurgy rather than for heat or power or conversion."

Coal plays still another role in today's complex economy. Coal chemicals are the basis for dyes and pharmaceuticals. We have barely scratched the surface in the utilization of coal as a raw material in our chemical industries. Coal is essentially carbon, the basic element in organic chemistry. This science has given us plastics and so many other products which are based on the chemistry of the carbon atom. Even nylon hosiery is a product of our coal mines. The Bureau of Mines of the U.S. Department of the Interior in a recent study presented a diagram showing the many products dependent upon coal. Mr. Chairman, I would like to submit this chart from the booklet entitled "Facts About Coal" in the record of these hearings. (Chart not printed in RECORD.)

The United States is endowed with coal deposits that can play an ever increasing role in making jobs for our people and in improving our living standards. We cannot afford to neglect any possible opportunity to develop these resources to their maximum capacity.

I am convinced that the establishment of a Coal Research and Development Commission will enhance the welfare not only of those whose lives are directly affected by the production of coal but also those of every American.

Mr. DIRKSEN. With those rather modest remarks, I shall content myself, and utter the hope that the amendment of my esteemed friend from Colorado will not meet with the favor of a majority of this body this afternoon.

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

Mr. DIRKSEN. Have I any time left?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOSS. Mr. President, I yield myself an additional minute.

My distinguished colleague from Illinois called the roll of States with ghost towns in mining areas. He did not mention Utah. I should like to add Utah to the list.

I wish to read briefly from the report of the House committee on the bill. It is in line with the remark made by the distinguished minority leader:

It is regrettable that the Bureau of Mines' concentration on long-range studies, useful though they are, its strong predilection for using only its own laboratories, and the history of unsuccessful past efforts to induce it to pay more attention to short-run investigations have caused such a lack of confidence in it that some witnesses who appeared before the committee expressed the view that they would prefer no bill to one that merely added the new functions and administrative machinery to the existing setup.

Mr. President, I yield the remainder of the time under my control to my colleague from Colorado [Mr. CARROLL].

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Mr. President, how much time is left?

The PRESIDING OFFICER. One minute and thirty seconds.

Mr. CARROLL. I ask unanimous consent to proceed for an additional 1 minute and 30 seconds, in order that I may have my original 3 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. CARROLL. The distinguished Senator from Illinois has placed his finger on the principal issue in this case.

Since I have been on the floor, the plight of Colorado's coal industry has not been mentioned. Today the coal industry in Colorado is in a depressed condition. Cities like Trinidad, Walsenburg, and some of the Routt County areas are withering on the vine. Their coal mines have been closed, and their survival efforts are now desperate. Some Colorado coal towns have disappeared altogether. The Colorado coal industry and the economy of many Colorado communities need this bill and they need it in its present form. They want an independent agency with an assurance that a research program will be put swiftly into motion.

I invite the attention of Senators to the fact that this proposed legislation has been under consideration by three Congresses. In the 84th Congress the subject was considered of such importance that the then chairman of the House Committee on Interior and Insular Affairs [Mr. ENGLE] appointed a special subcommittee to consider this question. At Mr. ENGLE's side, providing guidance and leadership during the fight for this bill in the 84th and 85th Congresses, was the ranking Democrat on the House Interior Committee, the distinguished Representative from the Fourth District of Colorado [Mr. ASPINALL]. Later Mr. ASPINALL succeeded Mr. ENGLE as chairman and took over the leadership of the fight in the House. Mr. ASPINALL, during all his years in the Congress, has been concerned about the plight of Colorado coal miners and the Colorado coal mining industry. In this Congress Mr. ASPINALL authored the bill that we have before us today. Mr. ASPINALL would not want to bypass the Bureau of Mines if he thought the Bureau could accomplish what is needed, but it has not achieved very much. It's research program is not adequate to the job. That is one of the reasons why the committee recommended the establishment of a new commission. The House by its overwhelming vote recommended this concept, and the Senate Committee on Interior and Insular Affairs agreed that the bill be presented in its present form.

Coal mining was once an important industry in Colorado. In its first 100 years the industry mined more than 500 million tons. Dollar volume has been about $1,176 million, or nearly half that of all gold produced in Colorado during the same 100 years.

Today coal production is a fraction of what it once was. Where 12,658,055 tons were mined in Colorado in 1918, only 2,972,191 were produced in 1958. There were 249 mines in operation in 1918, employing 14,374 men. By 1958, the number of mines in operation had dropped to 128 and the number of men employed to 2,499.

Coal still means up to $17 million annual business gross, but the market has shriveled. Railroads, which once accounted for much of the production, now use practically no coal. Powerplants, although still good coal customers, are four times more efficient than they used to be. Hence the rising curve of power produced has not meant a similar increase in coal consumption.

Yet the coal industry is optimistic over the probability that a revolution in markets is in the foreseeable future. Utilization of coal in the production of electric power and liquid fuel opens new vistas to the industry. Still other new ways must be found to utilize coal and new methods can be found to produce coal cheaper and more efficiently. But research is required to find these answers. It is true that much research has been conducted by the Bureau of Mines, but the results have not matched the challenge. Such advances must be stimulated and coordinated by a central agency which will have access to technological developments made by industrial associations, educational institutions, private consulting firms, and other departments and agencies of the Federal Government.

Colorado has an estimated 100 billion tons of coal reserves, according to the Geological Survey report of 1954. Colorado ranks fourth in the Nation in remaining bituminous resources, led only by Illinois, Kentucky, and West Virginia.

An imaginative approach must be made toward the realization of the full potential of these vast reserves—for the economic growth of the coal industry and the economic health of those who have devoted their lives to the development of the industry, and for the material benefits which will accrue to the Nation through new uses for our defense effort, our conquest of space, and for consumer goods.

I regret that I cannot go along with my senior colleague from Colorado. I know his intentions are good. But in addition to what the Bureau of Mines has been doing, we must explore new ways, and blaze new trails. I regret that I cannot support my colleague's amendment. I hope the Senate will accept the committee's recommendation.

Mr. ALLOTT. Mr. President, a remark was made by my distinguished colleague a few moments ago to the effect that Colorado was not discussed. Prior to the time he entered the Chamber, I discussed the situation in Colorado. It

is discussed also at considerable length in the hearings.

I am sure that all my colleagues who have discussed this question are motivated by just as good intentions as I am, and that they are acting in equally good faith. I am sorry that the minority leader [Mr. DIRKSEN], allowed his brilliant intellect to lead him down the the wrong path on this particular question. Nevertheless, I admire him, for his great loquacity and beautiful oratory.

First of all, the bill would create an anomalous administrative situation. The bill provides for placing this activity in the Department of the Interior for administrative purposes. Can any Senator tell me what that means? No one can tell me what it means. We are proposing to establish a new administrative agency, but to place it in the Department of the Interior for administrative purposes.

The Hoover Commission recommended in 1949 that any systematic effort to improve the organization and administration of the Government must create a more orderly grouping of the functions of Government into major departments and agencies under the President. It stated that the first and essential step in the search for efficiency and economy in the executive branch was to correct the diffusion of authority and confusion of responsibility.

Reorganization Plans Nos. 1 to 13 were submitted to and were approved by the Congress in 1950 to accomplish these objectives. In presenting these plans to the Congress former President Truman stated that they represented a bold approach to the problem of delineating responsibility and authority for the management of the executive branch.

We have before us a problem with respect to coal. What are we to do this year or next year when we come to the question of molybdenum, manganese, lead, zinc, fluorspar, boron, and 50 other metals which are of vital interest to our country? Are we to establish for each of them a separate research institute? I think not.

I invite the attention of my colleagues, particularly those who are piloting this bill, to the fact that under the terms of the bill, the chairman of the Commission would receive a salary of $20,500 a year. That is within $2,000 of the salaries of Senators, and we pay our own expenses. It is more than assistant secretaries in major departments receive, and much more than heads of bureaus receive.

The proposal provides for 11 Public Law 313 scientific positions paying up to $19,000, whereas the Interior Department as a whole now has only five of these positions authorized for its many and widely diversified research activities.

I close with the observation that, first of all, if we really want coal research, here is an amendment in the nature of a substitute which is approved by the Bureau of the Budget. It is approved by the Department of the Interior. On the contrary, the bill before the Senate has been disapproved by both these agencies in unequivocal terms.

If the idea is to speed research, then under the amendment we should not have to wait a year while we are gathering together the scientific personnel and the facts we have to get from the Bureau of Mines at one end of the Department of the Interior and furnishing to them the new setup so that the personnel can start to work.

If we really wish to conserve scientific personnel, and utilize all the knowledge with respect to coal, collected in the world or collected in this country we can utilize it by means of what is provided in the amendment better than in any other way.

Objection has been made, and it has been suggested that the Bureau of Mines has not done a good job. I have this to say about that. I do not hold a brief for any department of Government except as they make a good record, but we have never said to the Bureau of Mines, "We want you to do a good job in this area." If we have a bad law, we do not accomplish anything by ignoring it. We do good by enforcing it, and then perhaps amending it if the results demand it.

So in this matter, if research is desired, let us say to the Bureau of Mines, "Here is the money. Here is the problem," and then if the personnel does not do what it should, we can talk to the personnel at a later time. But let us put the responsibility where it belongs. Let us not diffuse our effort. Let us speed up the research by a year, and let us get something accomplished.

Mr. MOSS. Mr. President, I suggest the absence of a quorum. Has all time for debate expired?

The PRESIDING OFFICER. All time for debate has expired. The clerk will call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time limitation be extended by 3 minutes for the purpose of allowing the Senator from Ohio, who has not taken part in the debate, to speak on the pending question.

The PRESIDING OFFICER. Will the Senator from Utah withhold his request?

Mr. MOSS. I withhold my suggestion of the absence of a quorum.

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

Mr. LAUSCHE. Mr. President, I merely desire to express my approval of the general objective of the bill.

Repeating the words which have been uttered by other Senators, with respect to Ohio I must say that the coal areas are in need of economic stimulation. Those areas usually are not suitable for the establishment of new businesses. They have typical characteristics, and they revolve mainly about the development of the natural minerals which are within their borders.

In Ohio the Batelle Institute has been conducting research, and I know that the minds of many people are set on the day when by discovery new uses of coal will be provided, and in my judgment the $2 million which the bill proposes to provide for use in this research the first year and other amounts, as needed, in subsequent years eventually will be productive of tremendous financial contributions to the economy. I join with the Senators who have so vigorously fought in behalf of the establishment of this research.

One word further. I subscribe to the views expressed by the Senators who state that a new agency with a new vision and a new spirit will be able to do the job better than if we assigned it to the Bureau of Mines. The Bureau of Mines has its work to do. Its field is large. The fact that the duty to make the research is not being assigned to it is not in the nature of a condemnation of its work. What is proposed is the product of a belief that the best good can be obtained through a new agency taking hold, an agency which will have new vision. I therefore join with the Senator from Utah and the junior and senior Senators from West Virginia in supporting the bill as it is now before the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Colorado [Mr. ALLOTT].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mr. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], and the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

The Senator from Connecticut [Mr. DODD], and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Iowa [Mr. MARTIN] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The result was announced—yeas 27, nays 56, as follows:

YEAS—27

Aiken	Case, S. Dak.	Kuchel
Allott	Cotton	Langer
Beall	Curtis	Mundt
Bennett	Dworshak	Prouty
Bridges	Ellender	Saltonstall
Bush	Goldwater	Schoeppel
Butler	Hickenlooper	Scott
Carlson	Hruska	Smith
Case, N.J.	Keating	Williams, Del.

NAYS—56

Anderson	Gruening	Monroney
Bartlett	Hart	Morse
Bible	Hartke	Morton
Byrd, Va.	Hennings	Moss
Byrd, W. Va.	Hill	Murray
Cannon	Holland	Muskie
Capehart	Humphrey	Proxmire
Carroll	Jackson	Randolph
Chavez	Johnson, Tex.	Robertson
Church	Johnston, S.C.	Russell
Clark	Jordan	Smathers
Cooper	Kefauver	Sparkman
Dirksen	Kerr	Stennis
Douglas	Lausche	Symington
Eastland	McCarthy	Talmadge
Engle	McClellan	Thurmond
Ervin	McNamara	Yarborough
Frear	Magnuson	Young, Ohio
Fulbright	Mansfield	

NOT VOTING—15

Dodd	Kennedy	O'Mahoney
Gore	Long	Pastore
Green	McGee	Wiley
Hayden	Martin	Williams, N.J.
Javits	Neuberger	Young, N. Dak.

So Mr. ALLOTT's amendment in the nature of a substitute was rejected.

Mr. MOSS. Mr. President, I move that the vote by which the amendment in the nature of a substitute was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6596) was passed.

Mr. MOSS. Mr. President, I move that the vote by which the bill passed be reconsidered.

Mr. BYRD of West Virginia. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one if its reading clerks, announced that the House had passed, without amendment, the bill (S. 1928) to provide for the participation of the United States in the Inter-American Development Bank.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 4060) to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run, and it was signed by the President pro tempore.

A THIRD BASEBALL LEAGUE

Mr. HUMPHREY. Mr. President, the announcement today of the formation of a third major league is good news for lovers of the great American sport of baseball. I am particularly pleased, of course, that the Twin Cities of Minneapolis and St. Paul will at last have their own major league ball club.

It is fitting, too, that a Nation which has skyrocketed in population since 1903 should at last have more than 16 major league ball clubs—which has been the total for over half a century. Modern-day air transportation has made possible the extension of major league baseball to the great metropolitan areas which have so long been denied this magnificent sport, and I am confident the teams will be strongly and enthusiastically supported.

INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Georgia [Mr. TALMADGE], my colleague from Texas [Mr. YARBOROUGH], and the Senator from Indiana [Mr. CAPEHART], I wish to state that I am about to move that the Senate proceed to the consideration of Calendar No. 183, Senate bill 690, to provide for the increased used of agricultural products for industrial purposes.

I am informed that we shall be able to obtain a unanimous-consent agreement in connection with the consideration of the bill—namely, 30 minutes for each amendment and 1 hour on the bill, to be equally divided, and that the regular form of such agreements, which is at the desk, be followed.

Therefore, Mr. President, I ask unanimous consent that during the consideration of Calendar No. 183, Senate 690, the time for the consideration of each amendment be limited to 30 minutes, to be divided equally, and the time on the bill itself be limited to 1 hour, also to be divided equally—all in accordance with the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

The agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective immediately, during the consideration of the bill (S. 690) to provide for the increased use of agricultural products for industrial purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now proceed to the consideration of Calendar No. 183, Senate bill 690.

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

The LEGISLATIVE CLERK. A bill (S. 690) to provide for the increased use of agricultural products for industrial purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I understand that the time limitation I submitted a moment ago is now in effect.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Let me inquire whether any amendments are to be offered to the bill.

Mr. HUMPHREY. I have amendments to offer, but they are only technical ones.

Mr. JOHNSON of Texas. Very well. Will the Senator from Minnesota submit the amendments now?

Mr. HUMPHREY. I shall submit them after the opening statement on the bill has been made.

Mr. JOHNSON of Texas. Very well.

Mr. President, at this time I shall yield to the Senator from South Carolina [Mr. JOHNSTON]. Let me ask how much time he desires to have.

Mr. JOHNSTON of South Carolina. Five minutes.

Mr. JOHNSON of Texas. Then, Mr. President, I yield 5 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, before the Senator from South Carolina makes his statement, I ask for the yeas and nays on the question of the passage of the bill.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I thank the Senator from South Carolina for his courtesy; and I now yield 5 minutes to him.

Mr. JOHNSTON of South Carolina. Mr. President, the pending bill establishes an agency to be known as the Agricultural Research and Industrial Administration, of the Department of Agriculture, to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use, under existing processes, of agricultural products, as well as to develop new replacement crops, and to reduce the stock of commodities owned by the Commodity Credit Corporation.

I should like to say that several Senators introduced bills on the same subject. A number of those bills would have prevented the Department of Agriculture from administering their provisions.

We compromised, so to speak, and let the agency stay under the Department of Agriculture, and the bill was reported from the Committee on Agriculture and Forestry by a unanimous vote. All these facts being so, and Senators having had on their desks since April 15 the report of the committee, which I am satisfied a great many of the Senators have studied, and I am sure they know the contents of the bill, I do not think it necessary to take much time. That is the reason why I agreed with the majority leader to limit the time for the discussion of important legislation to such a short time.

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

Mr. JOHNSON of South Carolina. I yield.

Mr. CAPEHART. I think this is an excellent piece of proposed legislation. I have introduced similar bills many times. I see nothing wrong with the way the bill is written. I hope the same thing will happen in a few minutes as happened a year ago. Last year the Senate passed a similar bill by a vote of 86 to 0. There was not a single vote against it.

One objection that will be made against the bill is that it takes power away from the Secretary of Agriculture. Nobody wants to take any power away from the Secretary. What the bill provides is an administrator who can give the subject his full time. We want somebody administering the research who will be able to spend 24 hours a day thinking about the problem. The Secretary of Agriculture has more than he can do at the moment, let alone think about this problem. We want a topnotch man in the job, on a par with a Cabinet position, who can spend all his time on the problem.

The proposal is no reflection on the Secretary of Agriculture. He has no time to do the research supervision. He ought to welcome the bill, because, while it retains the housekeeping functions in the Department of Agriculture, it will enable him to have a man who will be able to devote 24 hours to doing research into new uses for agricultural products, so that the income of farmers can be increased. The farmers of the country certainly deserve a man who can spend 24 hours on that problem, and not have in charge of such research a man who has a thousand and one other problems.

The proposal is no reflection on the Secretary. It is an honest, sincere effort to get a much needed job accomplished, namely, to find new uses for farm products, and thereby increase the income of farmers.

That is how simple the bill is. It is not complex. Nobody is taking a shot at anyone. Nobody is trying to interfere with the Secretary of Agriculture. In fact, we are trying to help him, and trying to get him a top caliber man. A top caliber man capable of doing the job cannot be induced to take the position unless he is given responsibility and authority. If he is to be put under a second or third Assistant Secretary, we shall not get the kind of man we need to get the job done.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 3 additional minutes, so I may answer some questions.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from South Dakota.

Mr. MUNDT. I should like to associate myself with the remarks made by the distinguished senior Senator from Indiana [Mr. CAPEHART].

I quote from the committee report on the subject, page 2 thereof, dealing with the creation of new agencies:

Section 2—

Says the report—

establishes in the Department of Agriculture—

Not outside of it—

an Agricultural Research and Industrial Administration. * * * It would be headed by an administrator, subject to the general direction and supervision of the Secretary of Agriculture, appointed by the President, with the advice and consent of the Senate.

So the bill specifically provides that the Secretary of Agriculture has a function in this matter, the general supervisory function and the directory function he has as Secretary of the Department.

As the Senator will recall, this was a compromise between those who wanted to lift it entirely outside the Department and make it an independent agency, and those who suggested that the function should be left in the Department, with additional powers.

On the opening day of Congress I introduced an identical bill to S. 690 and this provision was contained in that bill, as it was in the bill passed unanimously by the Senate a year ago. Unfortunately that bill died in the House of Representatives.

The pending bill in no sense deprives the Secretary of Agriculture of anything. It elevates this important activity to the point where the administrator can work on it 24 hours a day, he can make special requests, can get special funds, and can get to the point of utilizing the present surpluses by finding new uses in industry for them.

Mr. JOHNSTON of South Carolina. Everything the Senator has said is correct. The arrangement proposed in the bill is very much like the arrangement for the Rural Electrification Administration. Anyone who is familiar with the workings of the Rural Electrification Administration will recognize that the bill provides a similar arrangement.

Mr. MUNDT. The new agency would have precisely the same position that the REA has, and it is where the administration wants to keep the REA, as indicated by the veto of the President of a bill to change the administration of the REA.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Mississippi.

Mr. STENNIS. In the bill he is advocating, the Senator does not mean to deemphasize, or have the bill militate in the least against, the present agricultural research, in all its branches, and neither does the Senator want to deemphasize forest research in any of its ramifications. Is that correct?

Mr. JOHNSTON of South Carolina. Yes. It is meant to use that kind of research as a steppingstone to get results.

Mr. STENNIS. This program is meant to be inaugurated with full recognition of the very important place that basic agriculture and forestry research now has in the programs being carried on. Is that correct?

Mr. JOHNSTON of South Carolina. That is true.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. MUNDT. One of the impelling reasons that induced the committee to take the compromise position, instead of lifting the matter entirely outside the Department of Agriculture, is the fact that able and respected Dr. Shaw and others testified that frequently, as new uses were found for farm products, new ways of developing such farm products had to be found, to make them more adaptable to research and industrial utilization. The two jibe together and should be kept under the administrative canopy of the Department of Agriculture.

Mr. STENNIS. Mr. President, will the Senator yield for a brief comment?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 2 more minutes, in order to answer questions. I have not had much opportunity to speak yet.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 2 additional minutes.

Mr. JOHNSTON of South Carolina. I yield to the Senator from Mississippi.

Mr. STENNIS. The Senator from Mississippi understands that what is proposed is merely a supplemental program and that we shall continue to have the agricultural research services and also the forestry research services as heretofore. Is that correct?

Mr. JOHNSTON of South Carolina. The new program does not affect those services one iota.

Mr. STENNIS. I thank the Senator.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. KEATING. I should like to bring the attention of the Senator from South Carolina to subparagraph (1) on page 8 of the bill, in which it is provided that the agency is given authority to "maintain and operate manufacturing facilities and to build, purchase, or lease plant facilities."

That is certainly putting the Government of the United States into business. I wanted to ask the Senator whether an amendment is to be offered which will in some way explain what is meant by that provision. I could never vote for a bill which went so far as that.

Mr. CURTIS. Mr. President, will the Senator yield to me for a reply?

Mr. JOHNSTON of South Carolina. Yes. I may say to the Senator from New York that provision would be applicable only when it was not feasible to have someone else develop such facilities.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I had better yield myself 3 minutes this time.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 3 minutes.

Mr. CURTIS. Mr. President, I may say to the distinguished Senator from New York that the proposal to create the commission to make such studies was introduced by the junior Senator from Nebraska. I suggested to the President the name of a gentleman to be chairman of the commission; and he was appointed.

This Government operation is limited to research, trial commercialization, and pilot testing. For trial commercialization and pilot testing, the bill does call for some Government participation. There definitely is a provision on research. However, the bill does not propose Government owned or operated factories and plants, but would turn the entire matter over to private enterprise.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. CURTIS. This is to operate within the limited scope of research, pilot testing, and trial commercialization.

Mr. KEATING. I appreciate the explanation of the distinguished Senator from Nebraska. Perhaps it is helpful in establishing the legislative history of the bill. It strikes me, however, that the language of subparagraph (1) ought to be somewhat refined in order to carry out the intention expressed by the Senator from Nebraska. As the subsection is worded, it certainly is very wide open in the giving of authority to the agency to maintain and operate plants, and to build plants.

Mr. CURTIS. If the Senator will read page 5, lines 13 to 22, he will observe the language:

> The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops.

It is within that limitation that the agency can own property.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Indiana.

Mr. CAPEHART. Let me read what the able Senator from New York is talking about, on page 8, line 17, under subheading (1):

> To test production procedures on a commercial basis—

The word used is "test." It does not refer to anything beyond "test."

Then the language continues:

> maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

The purpose of the language is to provide for setting up pilot plants. There was never any intention on the part of any of us who are interested in the bill to do otherwise. I introduced a bill on the subject as early as 5 or 6 years ago.

What we are trying to do is to set up pilot plants to test the practicability of new uses for farm products. Then, when a test is proved, of course, the product will be licensed to private industry to manufacture or process. I can say without fear of successful contradiction that nobody who had anything whatsoever to do with the proposed legislation ever had in mind that the Government would manufacture or process, beyond testing the practicality or feasibility of a product. It is almost necessary to do that.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. JOHNSTON of South Carolina. I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. If we are to conduct research in this field, it is almost necessary to have a pilot run. To do that we have to have facilities.

The Senator will find that the bill gives the right and authority to contract with private industry to do what we are contemplating. The Government does not necessarily have to do what the bill provides, but can contract with private industry to make the research, to do the pilot manufacturing, and to make field tests. It was never intended that the Government would manufacture a single pound of anything, beyond the necessity of making the pilot test or the pilot run.

Mr. KEATING. I appreciate the explanation given by the distinguished Senator from Indiana, and I accept the intention of the committee as being a statement of fact, but I strongly feel that the language should be considerably modified to bring about that result.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. JOHNSTON of South Carolina. I yield 1 minute to the Senator from New York.

Mr. KEATING. On page 2 of the report, in the listing of the objectives of the bill and the powers of the new agency, No. 10 states: "Build, maintain, and operate manufacturing facilities."

I do not think that the language of subsection (1) is sufficiently refined to carry out the expressed intention of the members of the committee. I think the language is much broader in authority than is necessary to accomplish what the Senator from Indiana mentioned.

Mr. MUNDT. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from South Dakota.

Mr. MUNDT. Our friend the Senator from New York is confused because he has looked over to page 8, to subsection (1). If the Senator will look at page 5, to ascertain the purpose, I am sure he will agree the safeguards he desires and we all desire are already provided. On line 21, page 5, the language is very clear when it says:

> In the discharge of these duties, the agency is empowered to—

One of the things is listed in subparagraph (1).

What are these duties? What is the purpose of this new plant, if it is built by the Government? That is very clearly stated on page 5, in the language:

> The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot-plant development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. In the discharge of these pilot duties the Government has a right to build a plant only with respect to its test and experiment activities.

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Connecticut.

Mr. BUSH. Can the Senator tell us whether a report was asked for from the Department of Commerce or from the Department of Agriculture with regard to the bill?

Mr. JOHNSTON of South Carolina. It was.

Mr. BUSH. The Department report does not appear to be included in the committee report. Is that correct?

Mr. JOHNSTON of South Carolina. It was not included.

Mr. BUSH. Why was it not included?

Mr. JOHNSTON of South Carolina. The Senator will find that the Department of Agriculture did not object to the kind of investigation planned, to try to find out different uses for agricultural commodities, but did want to leave the matter entirely with the Department, not even asking for a separate agency or even an agency under the Department. That is how the difference arose. That was the only difference.

Mr. BUSH. Is the Department of Agriculture opposed to the passage of the bill?

Mr. JOHNSTON of South Carolina. The Department is not opposed to the purpose of the bill, but is opposed to the machinery set up to implement the bill, and only to that.

Mr. BUSH. We would have to presume the Department of Agriculture would be opposed to the bill in its present form. The Department is opposed to the bill before the Senate?

Mr. JOHNSTON of South Carolina. That is correct.

Mr. BUSH. What is the story with regard to the Department of Commerce?

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

Mr. JOHNSTON of South Carolina. I yield to the Senator from Minnesota, who had charge of the hearings.

Mr. HUMPHREY. The Department of Commerce and the Department of Agriculture reports were coordinated through the Bureau of the Budget. The Bureau of the Budget registered objection to the bill strictly on the basis the chief sponsor of the bill, the Senator from South Carolina [Mr. JOHNSTON] has just stated; namely, as to administrative machinery.

I say, most respectfully, that the members of the Senate Committee on Agriculture and Forestry, after having many times heard the Department of Agriculture say there was plenty of existing authority for the kind of research desired came to the conclusion, after exhaustive hearings and after many investigations, that the proposed legislation was necessary.

I observe that some of my colleagues from the committee are present in the Chamber. Those Senators will recall that while the Department of Agriculture said it could do what is desired, it was not doing it. The members of the committee decided unanimously the research should be made. I wish to add that I was one of those who listened to the Department for a long time say it could do this.

I believe it is fair to say that the distinguished Senator from Nebraska [Mr. CURTIS], the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. MUNDT], and the Senator from South Carolina [Mr. JOHNSTON], were the major and prime movers in regard to this kind of legislation. Each Senator, as I recall, introduced a separate bill. I recall that the Senator from Nebraska had a proposal attached to another agricultural bill to direct the establishment of such a program as this.

We came to the conclusion we reached not as the result of partisanship, and not simply in an attempt to jam something through, but instead on the basis of very careful study. We came to the conclusion this had to be done if we were to do anything with regard to industrial uses of farm products. The present Research Division of the Department of Agriculture is essentially involved in research in the field not of new uses of production, but in the field of new commodities and better seeds, better livestock, better agricultural commodities.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from South Carolina [Mr. JOHNSTON] has 11 minutes remaining.

Mr. CURTIS. Mr. President, will the Senator from Illinois yield me 10 minutes?

Mr. DIRKSEN. Mr. President, I am glad to yield 10 minutes to the Senator from Nebraska.

Mr. HUMPHREY. Mr. President, will the Senator first permit me to make my statement in regard to the bill?

Mr. JOHNSTON of South Carolina. I ask the Senator from Nebraska to permit me to yield to the Senator from Minnesota before he proceeds.

Mr. HUMPHREY. Mr. President, I shall not take much of the time of the Senate. I have prepared a statement relating to the bill. I ask unanimous consent to have my statement, outlining the authority granted in this measure, which is explained very concisely and directly in the report, plus a statement of the general provisions of the bill, printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR HUMPHREY

EXPLANATION OF S. 690

This bill provides the organization and authority needed to bring about the increased industrial use of farm products and provide a market for our surplus agricultural commodities.

The new organization, to be known as the Agricultural Research and Industrial Administration, would be established in the Department of Agriculture, which already has considerable authority in this field. It would be headed by a $20,000 per year Administrator appointed by the President with the advice and consent of the Senate and three $17,500 per year Deputy Administrators. It would have authority to pay up to $19,000 per year to up to 10 especially qualified scientific or professional employees. In addition it could hire or contract for temporary services, without regard to Classification Act rates. It is the purpose of the bill to provide an adequate organization to accomplish the bill's objectives.

The new organization would coordinate and expedite efforts to develop new uses for farm products, new crops to replace those in surplus, and additional means of reducing stocks owned by Commodity Credit Corporation. In the discharge of its duties it would have the following authority:

First, all of the authority of the Secretary of Agriculture in this field, and authority to utilize all Government facilities;

Second, authority to make research grants;

Third, authority to use foreign currencies generated under title I of Public Law 480, 83d Congress, without appropriation;

Fourth, to make contracts dealing with such matters as the commercialization, market acceptance, and economic feasibility of industrial uses and processes;

Fifth, to extend suitable incentives to hasten the establishment of new crops or new industrial uses;

Sixth, authority to direct the Commodity Credit Corporation to deliver any of its stocks to be used for research, pilot plant operation, trial commercialization, export of manufactured products, or new or byproduct uses;

Seventh, authority to provide for the private operation of Government facilities;

Eighth, authority to give loan or grant assistance in procuring facilities to those contracting with it;

Ninth, to provide in its contracts for the equitable disposition of inventions produced thereunder;

Tenth, to license patents under the control of the Department;

Eleventh, to pay incentives for program suggestions;

Twelfth, to test production procedures and acquire and operate manufacturing plants; and

Thirteenth, authority to grant graduate scholarships and fellowships.

Mr. HUMPHREY. I add that what we propose to do, over and above existing authority, is to establish in the Department of Agriculture an Agricultural Research and Industrial Administration for industrial and commercial and new uses of agricultural commodities. It would not conflict with the established agricultural research, such as that conducted at the Beltsville Station, the work on seeds, the work of the horticultural experimental stations, and that of the land-grant colleges. None of that work would be in conflict with what is proposed.

The purpose of the bill is to see whether or not surplus agricultural commodities which are accumulating can be put to new commercial and industrial uses. The purpose is not to find more production, but to find outlets for existing production in the new and commercial uses.

The purpose of the bill, among other things, would be to see whether or not certain short fibers of cotton could be converted to new commercial uses. It is not the purpose in any way to detract from the fine research program already under way in the field of better raw materials, better seeds, and better livestock, to which the Senator from Mississippi [Mr. STENNIS] has directed his attention, and to which he has given such careful attention during his service in the Senate.

The bill would supplement and augment industrial and commercial uses of agricultural food and fiber products. I have an amendment to offer at the proper time. It is a technical amendment, which requires not only that new uses shall be sought, but that the present program shall be continued in order to expand the present uses and the present research in this field.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. ALLOTT. I should like to discuss the point which the Senator from New York [Mr. KEATING] raised. I feel that there is a definite deficiency in draftsmanship. I have been interested in cosponsoring several bills with the Senators from Nebraska and other Senators in this connection.

First, on page 5 of the bill, line 15, each time line 15 has been read, it has been read as follows: "activities toward research, pilot-plant development," and so forth.

I suggest that if it is read as it is punctuated, the language makes very little sense. It says: "expedite activities toward research, pilot-plant, development, trial commercialization," and so forth. I suggest adding an "s" to "pilot-plant," in which event the language would make sense.

On page 8, line 20, after the word "production" there should be a semicolon. Also, at the end of the paragraph the words "in accordance with the purposes named herein" should be added, so as to read:

(1) To test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production; and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs, in accordance with the purposes named herein.

Frankly, I feel that the wording is very poor.

Mr. JOHNSTON of South Carolina. Mr. President, I do not have authority to speak for the committee, but most of the members are present. I do not believe any of them would disagree with the amendments suggested. The language was drafted by the draftsmen for the Senate.

Mr. ALLOTT. May I offer those suggestions as amendments?

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. MUNDT. I think I can speak for the minority group. We have no objection to accepting the amendments suggested, if they are of any value. It seems to me that they merely amount to saying a second time what we have already said. They do not change the meaning. They merely button up the language, fore and aft.

Mr. ALLOTT. It is a good thing to be protected on both ends.

Mr. MUNDT. I am perfectly willing to accept the amendments suggested.

Mr. JOHNSTON of South Carolina. Mr. President, I do not see any harm in accepting the suggested amendments. If there is no objection, we shall be glad to take them to conference.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. May I hear the amendment read? I was privileged to be responsible for reporting the bill from the committee. I should like to know the exact wording which is suggested.

Mr. ALLOTT. On page 5, beginning in line 15, each time the language has been read by any Senator, it has been read in this manner "activities toward research, pilot-plant development, trial commercialization and industrial uses," and so forth.

That is not what the bill says. The bill says: "Toward research, pilot-plant, development, trial commercialization and industrial uses," and so forth. We certainly do not want an authorization merely for one pilot-plant. I suggest adding an "s."

Further, in order to tighten the language—and this is no reflection on the draftsmanship—on page 8, in subsection (1) a semicolon is really required after the word "production"; and, in order to make the language perfectly clear, at the end of the sentence the words "in accordance with the purposes named here" should be added, so as to read:

(1) To test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production; and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs, in accordance with the purposes named herein.

Mr. HUMPHREY. I think that is exactly what is meant, but the suggested amendment is a double protection.

Mr. ALLOTT. Mr. President, are these amendments accepted?

The PRESIDING OFFICER. The Chair did not hear the question of the Senator from Colorado.

Mr. ALLOTT. Mr. President, I offer the amendments which I have suggested.

Mr. JOHNSTON of South Carolina. I accept them.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. What are the amendments?

Mr. JOHNSTON of South Carolina. To add an "s" in one place, and a semicolon in another place. I believe that grammatically that would improve the language.

Mr. ALLOTT. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the adoption of the amendments en bloc? The Chair hears none; and the amendments offered by the Senator from Colorado [Mr. ALLOTT] are agreed to en bloc.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. KEATING. As the Senator from South Dakota [Mr. MUNDT] has said, we have buttoned the language up fore and aft. I may have an important starboard amendment, also on page 5; but first let me ask this question: In line 16 on page 5 the language is "trial commercialization and industrial use," and so forth.

Is "trial" used as an adjective, and does it modify both "commercialization" and "industrial uses"? Is that the understanding?

Mr. HUMPHREY. Yes.

Mr. JOHNSTON of South Carolina. The "and" carries it over.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. MUNDT. I should like to add, for the information of the Senate, that the bill does one or two other things which have not been discussed, but which we think will expedite the results which are sought, that is, the development of industrial uses for the foods and fibers of the farm. For one thing, it provides, outside the restrictions of the Classification Act, that the administrator of the agency shall be empowered to employ 10 scientists or technicians at top level grades, so that we may have high level performance and high level administration.

We have in mind, as members of the committee know, that this program will proceed on an active basis. It is to be a so-called crash program. It is a program to which we wish to devote a major effort, on which we wish to employ our best talent. So in addition to singling out the program and focusing it in the Department of Agriculture, with a semi-autonomous agency, the bill provides for additional scientists and technicians.

The second thing required is that there shall be a special annual report made to Congress in January each year by the Administrator. This report will not be buried in the general annual report of the Department of Agriculture, but will be a specific report from the specific agency, showing what has been achieved, what it is endeavoring to accomplish, wherein it has failed, and what it has spent, in the important business of developing new industrial uses for farm products.

The third step forward is that it provides specific and special appropriations for this purpose, so that Congress in its wisdom can push and prod this particular activity as rapidly as it wants to and will keep control of it from the standpoint of the money it makes available.

As one of the original authors of this bill, I believe that with the other activities in operation, we can make great strides toward eliminating existing surpluses and toward reaching that happy day when the American farmer can receive a fair price for a full crop in the marketplace, because between the human and animal needs and the industrial needs we believe the American and the world economy can absorb and utilize everything the American farmer can produce and thus provide in the market prices which will permanently make farming a profitable endeavor.

Mr. SCHOEPPEL. Mr. President, I wish to say to the distinguished Senator from South Carolina that with what has been said in favor of this measure I thoroughly and completely agree. It represents a great step forward in meeting some of the problems with which we are confronted concerning the surplus of agricultural products.

I see on the floor while we are discussing this measure the distinguished Senator from Indiana [Mr. CAPEHART]. I think it was about 4 years ago that he introduced for the consideration of the Senate a measure which in very general terms was along the lines of the pending bill; and the distinguished

Senator from Nebraska [Mr. CURTIS] also introduced such a bill.

With permission of the Senator from South Carolina I should like to ask the Senator from Indiana, who I understand is in favor of this bill——

Mr. CAPEHART. Oh, yes.

Mr. SCHOEPPEL. If the bill does not generally follow some of the ideas set forth in the measure introduced by him, in which many of us joined?

Mr. CAPEHART. In substance this bill does what the bill I introduced attempted to do. My bill was sponsored by some 40 other Senators from both sides of the aisle, including the able Senator from Kansas, [Mr. SCHOEPPEL]; the able Senator from South Dakota [Mr. MUNDT]; the able Senator from Nebraska [Mr. CURTIS], and other Senators too numerous to mention. I wish I had all their names. We introduced a bill 4 years ago which in substance does exactly what the pending bill proposes, and I highly recommend it.

Mr. SCHOEPPEL. I might say to the Senator from South Carolina, I appreciate the fact that this important measure has been brought to the floor of the Senate for consideration. As the Senator from Minnesota [Senator HUMPHREY] said a moment ago, when we had this bill before us in committee and discussed it and in the hearings held there was definite and positive need shown for a positive moving forward with this program rather than proceeding with it on a piecemeal basis, and I think this measure meets the need to a very marked degree. I hope that the Senate will pass the bill.

Mr. JOHNSTON of South Carolina. What the Senator from Kansas says is entirely correct. Everybody who appeared before the committee admitted the need for some action in this field. They differed a little as to how it should be done.

Mr. HRUSKA. Will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, in the consideration of the pending bill it seems to me we are witnessing a long-awaited event. It is an event which has been impatiently awaited by many, many people.

The need for such a bill to provide for the increased use of agricultural products for industrial purposes, is very obvious and highly urgent. It is highly urgent to make progress along the line the bill proposes in order to rescue American agriculture, which is in distress and which is headed for even greater distress unless a measure of this kind is enacted into law and becomes effective.

We may differ as to the methods and the mechanics by which to attain the objectives which are set forth in this bill. There is sincere and honest division on that point. I do not know that I subscribe entirely to the fashion in which this bill has directed itself, but I would like to say that if any undesirable development should occur in the implementation of this bill, we are always here in business ready to make such correction as may be necessary.

Not only is an annual report of the Administrator required but the Agricultural Committee of the Senate will maintain close contact with activities of this kind. The important thing is, that we are going forward in this field. My only regret is that we are late in doing what we are doing today.

I urge that the Senate take the most expeditious action possible in order that we may get this measure to the other body so that it can be enacted into law before we adjourn Congress finally.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. HUMPHREY. Will the Senator yield for a technical amendment?

Mr. JOHNSTON of South Carolina. I think everyone has agreed to the amendment. The Senator from Minnesota is not going to take much time on the amendment, and it will give me a little more time.

Mr. CURTIS. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota has the floor. The junior Senator from Nebraska yielded to the Senator from Minnesota.

Mr. MUNDT. I thought the Senator had yielded to me.

Mr. JOHNSTON of South Carolina. I yield to the Senator from Minnesota as much time as he deems necessary.

Mr. HUMPHREY. Let the Senator from South Dakota proceed.

Mr. MUNDT. Mr. President, I do not want the Senator from Nebraska to be uncomfortable about the fact that he is not sure that the best mechanism for administration is provided. Nobody can be sure of that. If the Senator is worried in any way that this plan somehow or other might be unworkable from the standpoint of the Secretary of Agriculture, I might point out that the Secretary of Agriculture is a member of the President's Cabinet. He will consult with the President in the selection of the Administrator. It is to be a team proposition so far as they are concerned.

Undoubtedly the Secretary of Agriculture will recommend to the President the man he wants to have appointed. His nomination must be confirmed by the Senate.

They will work together in the same governmental office.

We believe this is the best way to coordinate all the functions of the Department of Agriculture in its various scientific and research activities so as to keep in focus the primary target of this bill, which is to expedite industrial utilization of farm products, as the Senator from Minnesota has pointed out. It contemplates the consumptive aspects of research rather than the productive aspects of research.

Mr. HRUSKA. I take note of the observations made by the Senator from South Dakota. Legislation is always the art of the possible. While I still say there may be Members of this body who may disagree with the conclusions reached by the committee, I again want to say, Mr. President, that the purposes as reflected in the bill as presently drawn are adequate for the senior Senator from Nebraska. Let us take very prompt action. Let us take action now in this very, very important field.

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator from Minnesota will offer his amendment, that will give us a little time on it.

Mr. HUMPHREY. I offer the amendment, and I suggest that to conserve time, I can explain what the amendment proposes, and if there is need for reading the amendment that can be done.

Among other things, the amendment would add, on page 3, line 5, after "byproducts," the words "and on development of means by which present industrial and commercial uses of farm products and byproducts can be extended"; and at the end of line 12, to add: "expanding existing industrial and commercial uses," so you tie into one framework not only that which is new, but that which is existing in industrial uses and commercial uses, and industrial and commercial research. This is a technical amendment that does not make any substantive change. It only correlates the program in one agency. It provides for existing commercial and industrial uses, and for research with respect to food and fiber products.

Mr. MUNDT. May I ask the Senator from Minnesota if he has discussed this amendment with the committee members on this side of the aisle? We think it is useful and valuable and see no reason to oppose it. We suggest that the chairman of the subcommittee accept it.

Mr. JOHNSTON of South Carolina. I accept the amendment. It is also recommended by the Department of Agriculture.

Mr. HUMPHREY. It is recommended by the technicians.

I ask unanimous consent that it be printed in the RECORD, so that the amendment may appear in connection with this colloquy.

There being no objection, Mr. HUMPHREY's amendment was ordered to be printed in the RECORD, as follows:

On page 3, line 3, strike out the period and insert in lieu thereof a comma and the following: "and on development of means by which present industrial and commercial uses of farm products and byproducts can be extended."

On page 3, line 12, strike out the period and insert in lieu thereof a comma and the following: "and to permit the development of means for expanding existing industrial and commercial uses of farm products and byproducts."

On page 3, line 21, immediately after the comma, insert the following: "and for expansion of existing industrial and commercial uses,".

On page 5, line 20, immediately after the word "industrial", insert "and commercial".

On page 7, line 1, immediately after the comma, insert the following: "or to expand present industrial and commercial uses,".

On page 7, line 8, strike out "or" immediately after "products,"; and in line 9 strike out the period and insert in lieu thereof a comma and the following: "or (F) further development of present industrial and commercial uses."

Mr. COOPER. Will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Kentucky.

Mr. COOPER. I rise to support this bill, S. 690. There may be some difference of opinion as to the mechanism which should be employed to make it most effective, but I think the main thing is to pass a bill, to enact it into law and see how it works.

The bill before the Senate is designed to find new uses for farm products, to expand present commercial uses of agricultural products, and to develop new crops for our farmers to supplement those which are now in surplus.

The bill is identical to S. 4100, passed by the Senate last year by a large vote, on which the House did not act. I was a sponsor of one of the research and development bills last year, and during the discussion on the Senate floor, I called attention to the methods of research used in this country to develop new weapons. I stated at that time that we ought to pursue a program of similar size and scope for food and fiber—for "in the long run, they will be more valuable weapons."

The measures before the Congress flow, to a large extent, from the excellent work of the President's Commission on Increased Industrial Use of Agricultural Products. Dr. Frank J. Welch, dean of the College of Agriculture of the University of Kentucky, was a member of that outstanding Commission. Its broad recommendations, and its specific examples, by commodities, of the many opportunities for commercial development, provide solid ground for the belief that a greatly expanded research effort can result not only in benefits for our people as a whole, but also can enlarge the contribution made by farmers to the life of the country while removing much of the weight of surplus production from farmers' markets.

I wish to call attention to the fact that section 6 of the bill provides that the Agricultural Research and Industrial Administration may request that Government-owned facilities useful in the program authorized by the act be transferred to that agency. For example, I am familiar with the alcohol-butadiene plant at Louisville, Ky., known as Plancor 1207, which many have said might provide a very useful facility for research into the increased industrial use of agricultural products—and which Dr. J. Leroy Welch, the Chairman of the President's Commission on Increased Industrial Use of Agricultural Products, in March 1957, informed the Senate Banking and Currency Committee might be used to produce alcohol from surplus crops such as corn. This could mean a great deal to agriculture in our section, and could give employment as well. If S. 690 is enacted into law, I know the new agency will consider this possibility, and I hope that operation of the Louisville alcohol-butadiene plant might offer an opportunity for the work envisioned by the bill. During the war, similar pilot plants were built for the development of synthetic rubber, and were found to be useful facilities.

The country is faced today with a critical and continuing farm problem. My own belief is that for several years production controls will continue to be needed, that these controls should be made more effective, and that price supports should be high enough to provide a reasonable incentive to farmers to accept more effective controls. Second, an expanded and extended soil bank conservation reserve would provide long-term retirement of land to conservation uses, especially, for farmers who wish to turn to other work. But, in the long run the affirmative answer to the farm problem—to the cost-price squeeze and toward parity incomes for farmers—must be expanded markets at home and abroad, to put more of our production into the good use for which it is intended.

I see two possibilities for the expansion of farm markets at home: our growing population, and new uses for farm products. New uses, better commercial uses, and new specialty crops—encouraged by the provisions of this bill—can play an important part in an effective, many-sided approach to the farm problem.

But the intent of this bill goes beyond amelioration of a serious problem. It concerns a better way of life for all our people, new and more efficient products, progress in many fields through a quickened pace of research and development.

There may be questions as to the particular provisions of this bill. I support the bill because it is before the Senate, and may be the only bill on which we will have a chance to vote; I do not wish to embrace the exact mechanism it provides. But, while the Senate committee did not hold hearings this year, the House Committee on Agriculture has held extended hearings on the bill introduced by the chairman of its Subcommittee on Research and Extension, Mr. ABERNETHY. That bill, H.R. 2718, is strongly supported by the Association of Land-Grant Colleges. I hope the House will act on a bill this year, and if it should be different from the Senate bill I hope those differences will be resolved and that the Congress will enact legislation in this important field before adjourning.

I know also that there are proposals to establish in the executive branch an Agricultural Research and Development Commission to give direction to this sort of work. With other Senators, I have proposed a second Country Life Commission. Such a commission could examine our national goals, and perhaps appraise the value and priority of this as well as other work. Above all, I think it is essential to begin to put together the pieces to the farm problem, to relate the various farm programs to each other, and to come forward with a unified program which will merit the respect of the entire country.

I think what is most important now is to pass the bill before the Senate, have it enacted, and let it work. I compliment the Senators who have reported the bill to the Senate. I wish to compliment also those who in the past introduced similar bills. I remember that 5 or 6 years ago the senior Senator from Indiana [Mr. CAPEHART] introduced and urged passage of a similar bill, as have the Senator from Nebraska [Mr. CURTIS], the Senator from South Dakota [Mr. MUNDT], the senior Senator from South Carolina [Mr. JOHNSTON], and other Senators.

I hope the passage of Senate Bill 690 will enable prompt action to be taken in this field. I am glad to support the measure.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Minnesota [Mr. HUMPHREY].

Mr. JOHNSTON of South Carolina. I will accept the amendments; I simply wanted to defer action on them so that I might answer any questions which might be asked about them.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CASE of South Dakota. I join with other Senators who have complimented the committee upon reporting the bill. It was my privilege in 1956 to be one of the supporters or cosponsors of the Curtis amendment to the Agriculture Act of 1956. The bill, it seems to me, is a logical outgrowth of the research commission which was established by the Curtis amendment to the act of 1956. It laid the foundation by providing for a year of investigation and for a report. Now we should go forward, and the bill appears to do that.

I should like to have the attention of the distinguished Senator from South Carolina. While the bill was being discussed, I was called from the floor for a few minutes. I am not certain if anything was done to change the structural language under "Powers and duties," section 4. It occurs to me that there is a lack of uniformity in the way the several power clauses begin.

On page 5, line 21, section 4, the sentence begins:

> In the discharge of these duties, the agency is empowered to—

There follow many clauses. Some of the clauses follow logically the word "to"; some of them repeat the word "to." In order that there may be uniformity, it seems to me that the word "to" should be stricken in line 22 and reinserted at the beginning of subsection (a) on line 23, page 5; also at the beginning of line 10, page 6, in subparagraph (c); on page 6, line 23, at the beginning of subparagraph (e); on page 7, line 3, at the beginning of subparagraph (f); and on page 7, line 24, at the beginning of subparagraph (i). Then all the clauses would start with the preposition "to."

Mr. JOHNSTON of South Carolinia. From a grammatical standpoint, I think those corrections should be made though I do not think the language is wrong as it stands at present.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the word "to" at the end of line 22, page 5, be stricken, and that the word "to" be inserted at the beginning of each subparagraph in section 4 where it does not now appear.

Mr. JOHNSTON of South Carolina. I observe that some paragraphs begin with "to" and that some paragraphs do not.

I can see no harm in that arrangement. Also, the word "to" could remain at the end of line 22 and it would be omitted from all the other paragraphs where it is now used. But if it will be clearer in the way suggested by the Senator from South Dakota, I do not object.

The PRESIDING OFFICER. The request of the Senator from South Dakota is that the word "to" at the end of line 22, page 5, be stricken.

Mr. CASE of South Dakota. And that the word "to" be inserted at the beginning of each subparagraph in section 4 where it does not now appear in that section.

The PRESIDING OFFICER. Without objection, the corections will be made.

Mr. CURTIS. Mr. President, I yield myself 10 minutes. I support the bill. I commend the Committee on Agriculture and Forestry, and especially the chairman of the subcommittee, the distinguished Senator from South Carolina [Mr. JOHNSTON], for reporting it to the Senate. The bill is before the Senate today because of an action taken in 1956. At that time I offered an amendment to the bill then under consideration to provide for a Presidential Commission To Recommend New Uses for Agricultural Products. The amendment was adopted, and the bill was passed, and the Commission was appointed.

President Eisenhower appointed J. Leroy Welsh, of Omaha, Nebr., to be Chairman, and Karl O. Butler, George H. Coppers, Charles Sayre, and Frank J. Welsh as the other members of the Commission. The Commission selected as its executive director Wheeler McMillen, the publisher of Farm Journal, an exponent of this kind of program for more than a quarter of a century.

The Commission called before it leaders from the scientific world, from industry, and from agriculture throughout the land. Many of those persons did not even submit an expense account. Congress appropriated $100,000 to carry on the work, and about $40,000 was returned to the Treasury unused.

As a Nebraskan, I do not wish to underestimate our stake in agriculture. In the first place, a sizable portion of our State's population consists of farmers, farm operators, and farm owners. Their income and their prosperity means income and prosperity for Nebraska. Our merchants, shopkeepers, and professional people in our towns and cities largely sell their goods and render their services to farmers, or to those who in turn sell to farmers. The greater portion of Nebraska's manufacturing relates to farming. Nebraska has a large amount of farm equipment manufacturing. We make irrigation pipe, truck boxes, dryers, elevators, wells and water equipment, and countless other things. Another factor in Nebraska's economy is manufacturing or processing of farm products. Nebraska provides the world with the best in meat, flour, butter, and many other processed agricultural products.

The income, especially the net income after today's high costs, for a great many of our farm families is not near what it ought to be. I would like to see those policies adopted which would enable the farm families of Nebraska to increase their income.

I know of no one who contends that our present farm program is satisfactory either to farmers, taxpayers, or to the Government. Both major political parties have wrestled with this problem for a number of years. The programs sponsored by the Government in the past have been put forth with good intentions. Many of the things that have been done have been of great temporary assistance to farmers, yet the problem remains far from solution.

The problems we now face and those the Government faces would have become this acute much earlier if it had not been for the intervention of two wars. In spite of all of the years of efforts put forth and the spending of billions of dollars we are still plagued by surpluses. These surpluses hang like a cloud over the normal markets and prevent a rise in prices.

At the same time they are a heavy financial burden upon the Treasury of the United States. A reduction in acreage has not resulted in a reduction of surpluses. Many well-qualified people believe that we have not yet scratched the surface in the matter of productivity. We have reduced and reduced the acres which a farmer may plant in order to participate in the price-support program. The individual farmers are not to blame for the situation. If they are to stay in business and make a go of things they must produce all they can.

We must turn our attention to new markets. What are those new markets? Great and commendable efforts are being made to increase our exports of agricultural products. This is proving to be very costly. We are subsidizing, for instance, the export of wheat to the extent of about 75 cents or 80 cents per bushel.

But the real problem in reference to agriculture is that the world is producing more of its own food. Many countries that were, a few years ago, deficit food areas now are plagued with a surplus.

The greatest market we can find anyplace for agricultural products is right here at home. The greatest new market we can find is a market in industry. We are living in an industrial age. The American people are using more gadgets, more materials, and equipment of all kinds than ever before, and that use is increasing daily.

Many of these industrial uses can be supplied from raw materials produced on the land.

This program falls in three parts. The program recommended goes far beyond research.

In the first place, it calls for a broad program of scientific research to find new uses for farm crops.

Secondly, it calls for a program of trial commercialization and pilot testing. Research merely for the shelf does not provide the answer. We must have this trial commercial situation and pilot testing. Thirdly, it seeks a program of limited subsidies on a test pilot basis to both farmers and industry to get the program started.

None of us will deny the value of research. Most of the material things that we use and enjoy from day to day are the products of research. The great advances in medicine, that have extended human life, are a result of scientific research. The atom was split and a profound program of peacetime uses of atomic energy awaits us, all because of research.

Oh yes, there has been research in the field of agriculture. But practically all of this research has been directed toward how we can produce more and we have neglected the research on finding new uses for that which we can produce.

It is because of research that we now produce 100 bushels of corn where we used to produce 25.

All through these years, however, the talent, the brains, the laboratories, and the money have not been applied to finding new uses for the things we produce on the farm.

As the Welsh Commission points out, industry is currently investing at least $3 billion a year, 3 percent of gross sales, in research. The result is obvious in a constant flood of new and improved products—fabrics, plastics, building materials, surface coatings, detergents, chemicals, and many others.

Many of these so-called miracle products of modern research have provided the foundation for vast new industries and the stimulus for new consumer demands. Most of the products are based on nonagricultural raw materials—particularly chemicals derived from petroleum—which are chemically taken apart and rebuilt—synthesized—in new forms. This search by industry is continuous, systematic, and intensive.

By contrast, agriculture spends not over $375 million on research—about 1 percent of gross sales, and most of this goes to improve and increase production. Federal and State Governments spend $190 million of the total, of which no more than $18 million goes for utilization research.

In other words, about one-twentieth of 1 percent of the gross sales of agriculture has been used on research to find new uses for agricultural products.

In the last 20 years, for example, domestic use of paint, varnish, et cetera, increased about 100 percent in the rapidly expending U.S. economy. Use of linseed, or other drying oils, increased only about 25 percent. Synthetics took their place. If linseed oil were used in paints today at the same rate as in the early 1930's, the United States would need a million more acres of flax. Per gallon of paint, the use of drying oils has dropped more than 40 percent in the last 20 years or so as they were progressively replaced by synthetic products. Tung oil is affected by the same trend, and that is important to a very great segment of our agricultural economy.

So in recent years agriculture has been researched out of a good part of its natural markets.

Nearly half of the market for natural fibers—cotton, wool, flax, silk—has been

taken over by synthetic fibers. Two out of three pairs of shoes are now made partly or wholly of leather substitutes. Two-thirds of the soap has been replaced by detergents, which do not use natural fats. In fact, in the last 10 years the use of detergents per person increased from 1 pound a year to 15 pounds, while the use of soap decreased from 23 pounds to 8 pounds a year.

One of the jobs of this research and trial commercialization is to regain the markets we have already lost; but there are many, many opportunities in addition to that.

At the present time we are using more synthetic rubber than natural rubber. The synthetic rubber is of better quality. It has been improved because of research. The research has been done by the petroleum industries, and they are making the rubber. It is estimated that the consumption of synthetic rubber will increase by 50 percent in the next 5 years.

Were the American farmers allowed to have that increase only, and were that rubber made from alcohol provided from farm products, it would require 200 million bushels of grain.

A former distinguished Nebraskan, William Jeffers, as the rubber czar in World War II, made a large portion of the Nation's rubber from alcohol made from grain. It can be done again. When Mr. Jeffers started, the cost of synthetic rubber, per pound, was exceedingly high. That cost was gradually lowered throughout the program. The lowering of costs is the important element in a trial commercialization program.

It has long been my hope that we could use alcohol produced from grain as a part of our motor fuel. Farmers buy a great deal of gasoline and tractor fuel. Certainly they should be allowed to produce their own fuel. The number of cars in the country is constantly increasing and likewise the motor-fuel market is increasing. European countries have blended alcohol into their gasoline up to 25 percent. Were we to blend alcohol into our gasoline to the extent of 10 percent, it would require more than 1 billion bushels of grain. In other words, that one use alone could probably solve the grain-surplus problem.

However, we face a very definite obstacle in regard to this. It is an economic fact that gasoline can be produced cheaper than alcohol. Consequently, no one selling gasoline is going to turn to a blended alcohol. In peacetime, under our free American system, we cannot compel that to be done by law.

However, I am thoroughly convinced that a broad program of research will lower the cost of producing alcohol from farm products. At the present time, when we make alcohol out of farm products, we have a protein residue that is a very valuable food for animals. However, with improved methods brought about by research and trial commercialization, it is believed that the alcohol can be extracted, and the protein residue will be a fine human food. Its value will then be many times greater than its value for livestock food. The alcohol will then become more or less a byproduct, and can be sold at a price that will enable it to compete with gasoline for a part of the motor-fuel market. So, while a portion of the motor-fuel market is not the farmer's at this time, it is not an impossibility that one day it will be.

A number of leaders in the petroleum industry are not adverse to these efforts. They realize that the farmers are purchasers of their products. They realize that farm prosperity means a great deal to the prosperity of our country. Furthermore, the same companies will be selling the motor fuel at all the filling stations in the country, regardless of the components of that fuel. They are not going to lose the business.

Incidentally, it is the objective of the pending bill and the Welsh Commission report that the Government enter into the field of research, trial commercialization, and pilot testing with limited subsidies, but that the results be turned over to private enterprise. We do not advocate a program of Government-owned plants and Government manufacturing of products from the farm or from any other source.

Our surpluses are primarily starches. From starch we make alcohol, and from alcohol we can make rubber, plastics—a thousand and one things that are now being made from other materials.

We are not limited by any means to motor fuel and rubber and like products. There are literally hundreds of possibilities of making industrial uses of agricultural products. These include solvents, surface coatings, plastics, chemicals, fibers, films, explosives, adhesives, lubricants, insecticides, drilling muds, paints, varnishes, and even paving materials.

The Welsh Commission report says, as an example, that about 35 percent of the corn processed by wet milling now goes to nonfood uses. The industry would like to expand this fifteenfold. The largest new outlets it envisages are for the use of starch in metallurgy, in insecticides, in defoliants, and in paper. These three uses alone might take up to 410 million bushels of corn annually.

Our country produces great quantities of sugar; we could produce a great deal more. Here is what the Welsh report says about the industrial possibilities in regard to sugar:

> The sugar industry is confident that these industrial uses will be developed, to the extent perhaps of utilizing an extra million tons of sugar by 1965 and 2 million tons by 1975. This would add more than 10 percent to the projected 1965 demand and more than 16 percent to that projected for 1975. Sugar is an inexpensive, exceptionally pure, and, chemically, very reactive material adaptable for many large-scale industrial applications. Present industrial use is small, but a dozen years of research have turned up some highly promising leads.

Perhaps the forage crops we produce have the highest value of any crops, since they furnish over half the feed for livestock. Yet it is likely that far greater values lie locked up in those crops, particularly the legumes, than in those which have been exploited. At the present time, we extract some chlorophyll and some xanthophyll from legumes.

But the Welsh Commission reports that the 55 million tons of legumes produced annually in the United States also contain some things that we never have developed. These include a billion dollars' worth of protein, carotene worth $2¾ billion, vitamin E worth $2 billion, vitamin K worth $115 million, xanthophyll worth $12½ billion, and chlorophyll worth $19 billion.

These figures may seem a bit fantastic, but they show that these materials in our legumes are waiting to be used and developed for medicinal and other nonfood uses.

I want to quote from the Welsh report in one other instance in reference to potatoes. Here is what it says:

> The potato industry is confident that a materially enlarged research and development program would so expand the market that surpluses would disappear and it might even be necessary to increase production.

I want to talk a little bit about the section on new plants.

The all-wise Creator put on this earth 250,000 plants. We have domesticated and used only 150 of them—not 150,000, but 150. We have never taken the trouble to find out what the rest are for.

We are short of paper. The American people use more paper products than anyone could ever imagine. Not only is our population increasing, but our per capita consumption of paper is increasing. We use paper for many things in our homes.

Our publishers sometimes get concerned about the shortage, or the threat of a shortage, of paper. The task group on new and special crops points out that we can make not only paper but furniture and specialties from bamboo in the South—from South Carolina to Texas and the coastal and piedmont areas. Bamboo will grow faster than the pine itself. This crop could be expanded for industrial purposes, so that we could use 1 million acres of bamboo. This crop alone might solve the surplus problem which is facing cotton farmers.

We must always remember that what helps any segment of American agriculture helps all of American agriculture. As a Nebraskan, I am just as much interested in the problems of the Cotton Belt as I am in the problems of any other area.

The same task group made reference to a very fine production in Nebraska. I refer to the development and improvement of safflower. This crop did not amount to very much until 1946, when the results of research and development of the Nebraska Agricultural Experiment Station were made known. At the present time, we raise about 100,000 acres of safflower, most of it is northern California and western Nebraska.

Safflower oil is now being sold to manufacturers of alkyd resins, enamels, varnishes, and high-quality paints. It is believed that with further development in research there are great possibilities in safflower.

Throughout the years our cordage and rope, particularly the cordage for marine

use, has been obtained from abaca and sisal, which are imported products. The task group on new crops points out that sansevieria, a commonly used house plant, known as the snake plant, can be used for cordage and rope; and this plant promises a market for possibly 100,000 acres.

Kenaf, the task force points out, can be used to make fiber for post office twine, carpet yarn, camouflage, burlap, and other articles normally made of jute, which is imported. The task force points out that this new industrial use, when fully developed, could require the production from 200,000 acres.

Another crop mentioned by the same task group was simmondisa, from which we can produce a wax, to be used for fine waxing and polishing. It would be noncompetitive, because wax is now in demand in industry. This offers a possible use for 150,000 acres of new crops.

We use tannin in the leather industry. It is believed that we could use the production of 100,000 acres of canagrie to produce the tannin, and it would be competitive in price with imported tannins.

If a program of broad research and trial commercialization can be gotten underway, it is very likely that many of these things I have mentioned can be developed. It is also very likely that some of them may not prove to be practical.

At the same time, many, many other uses which none of have ever thought about will result from such industrial research.

The objective we seek is full production for American agriculture. May the time soon come when the American farmer can manage his own land, plant all of his acres, and sell his products at a fair price.

Mr. President, not only do I hope that the pending bill will be passed by both Houses, but I also hope that the bill will be signed by the President, and will become law.

The PRESIDING OFFICER. (Mr. LAUSCHE in the chair). The time yielded to the Senator from Nebraska has expired.

Mr. DIRKSEN. Mr. President, a similar bill passed the Senate in July 1958, by a vote of 81 to nothing. At that time I probably was paired in favor of the bill. I think my office records indicate that there was a death in the family, and I was in Illinois, when the bill was under consideration here.

It would appear that my voice is the only one to be lifted here in opposition to this bill. I oppose the bill because the Department of Agriculture is opposed to it, because it believes the bill will result in duplication, and because it believes it is unnecessary to legislate further in regard to a good many of the items and a good deal of the authority contained in the bill.

Mr. President, I think of the old chromo which used to hang in our kitchen, at home. On occasion, I have previously alluded to it. Everyone who took a 3-year subscription to the newspaper received one of the pictures. It was a picture of two gladiators in the Roman arena; and it showed the gladiators about to engage in mortal combat. Mr. President, I am rather hard pressed to draw on my knowledge of Latin at this late age; but I believe one gladiator was shown calling out, "Ave Caesar, morituri te salutant!"—or, "Hail Caesar, those who are about to die salute thee!"

Mr. President, I know this bill may pass; but I must lift my voice in opposition to it, anyway.

I believe it was Bruce Barton who once said that everybody reads the commentaries on the Bible, but people seldom read the Bible itself.

So I thought I would read the bill, rather than read all the things that are stated by way of commentary.

Section 2 of the bill provides that the Commission shall be a separate agency of the Department of Agriculture, except for administrative purposes. The Secretary believes, and I think with some reason, that this would constitute a duplication in the Federal structure.

Secondly, I invite attention to the powers and duties reposed in this new agency. They are almost unlimited. It is provided that "the agency shall have power and authority to coordinate and expedite activities toward research, pilot-plant, development, trial commercialization and industrial uses," both at the Federal level and the State level. It can use all manner of agencies in carrying out those duties.

Third, I invite attention to the fact that the bill provides the agency may "make use of the facilities of the Department of Agriculture and other Federal agencies."

That is an authority which is already enjoyed by the Department, and it would become unnecessary to reexpress it in a new act.

On page 6, the bill indicates that, to the greatest extent practicable, the agency shall utilize pilot plants, regional laboratories, and other facilities and equipment.

I was in the House of Representatives when we authorized the construction of the four regional research laboratories. They stand as mute but still eloquent evidence of the amount of research power the Department of Agriculture has today, and also the facilities the Congress has made available in nearly every field, including new uses.

There are some other items in the bill which are rather interesting. On page 6, beginning on line 7, there is this language:

> To make grants, for periods not to exceed five years' duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals.

There is no indication of the limits on the grants. It is as wide as a 40-acre field when it comes to making grants to agencies and institutions, including individuals.

The next subparagraph on page 6 of the bill, beginning on line 10, reads:

> Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement.

I see no limit there. I would say the sky is the limit, and there is a great accumulation of currencies which could be expended for this purpose if the agency so desired.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I have only a limited time, but I yield.

Mr. CASE of South Dakota. I think the Senator makes a very valid point when he states that the sky is the limit. However, restrictions should be provided in other legislation. I personally believe we ought to have a complete review of the whole field of foreign currencies, whether they have been accumulated under Public Law 480 or as counterpart funds. There should be established in the Treasury Department a division of foreign currencies, and the expenditure of foreign currencies should be made subject to the Appropriations Committees, just as any other assets are.

Mr. DIRKSEN. I quite agree.

Mr. President, the next paragraph goes even further, because it provides that the agency may "make contracts or cooperative arrangements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes."

Mr. President, that is a big bag of tricks. There is no limit to it, as a matter of fact. It is wide open language.

The next provision goes even further. It would "Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets."

How does one develop an incentive for a market? With money. I do not know how else it can be done. The growing of surplus commodities might be given up in return for trying out some new crop. How would it be done in the case of industry? It would have to be subsidy. The only thing I can think of in providing an incentive, is the offering of something by way of a subsidy payment, both to farmers and industry. Still, there are no limits established. I do not know how far it would go.

Mr. President, I remember a program in which we were once engaged with respect to the cultivation of the Russian dandelion for the purpose of producing rubber. I was a Member of Congress when we bailed out that business. As I remember, it cost us about $60 million or more before we were through. That program was put into effect on an incentive basis. We had to provide incentives for people to engage in that program.

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

Mr. DIRKSEN. Briefly, because I am the only one opposing the bill.

Mr. MUNDT. In reply to the inquiry of how the incentive program will work, let me point out that the proposal is nothing new insofar as our agricultural programs are concerned. The Senator will remember that in World War II the country ran short of linseed oil. An incentive was provided by offering $6 a

bushel for flax, which farmers grew on land used for other crops. The farmers responded. We received the linseed oil. The war was won.

How would this program work? Farmers could be offered an incentive for growing crops for industrial use on land which was used to grow surpluses which are being eaten by rats.

Mr. DIRKSEN. I know all about those programs. I was here when they were in process. I know how costly such programs become.

Mr. President, to continue with a discussion of the provisions of the bill, I read from page 7 of the bill, subparagraph (g):

To make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this Act or other legislative authority.

If another agency has a plant, and this agency requests it, the provision states that this agency can make a contract or lease for the private operation of that property.

It goes further. With respect to private operation, it provides:

To make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities.

That is a terrifically broad grant of power. There is no limit, no circumscription, whatsoever. Frankly, I do not know how far it will go.

The bill contains a provision for scholarships. We are encroaching a little on the educational domain. The section states:

The agency may provide graduate scholarships and fellowships and for this purpose may make grants to individuals for scholarships and fellowships.

Of course, there is a limit of 1 percent of the student body, but it covers any accredited school or college. There is no limitation as to individuals or the aggregate amount which will be involved. I would think that if a director got quite ambitious, he could do a very good job of moving deeply into the whole educational field with Federal grants.

This is a provision in the bill with relation to transfer of Government plants. It has some interesting language. It states:

Notwithstanding any other provision of law—

That is the acceptable language used today, which can so often cover a multitude of sins—

Notwithstanding any other provision of law, any Government agency—

Any Government agency—

holding any Government-owned facility useful in the program authorized by this Act is authorized to transfer such facility to the agency, for use in the program, if requested to do so.

All it takes, of course, is the approval of the Director of the Bureau of the Budget.

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

Mr. DIRKSEN. Not for the moment.

Mr. MUNDT. Will the Senator yield for one single sentence, so that I may point out all of us know that is an extremely important proviso.

Mr. DIRKSEN. I know it is.

Mr. MUNDT. If it is approved by the Director of the Bureau of the Budget, that means administration approval.

Mr. DIRKSEN. Mr. President, I know also the amount of pressure which will be put on the Director of the Bureau of the Budget, if there are plants in other agencies which this agency wants. It will be intergovernmental pressure.

Finally, this bill is going to cover many things. The definition of agricultural products includes everything in section 207 of the act of 1946. Mr. President, I ask, Do Senators know that "fish" are agricultural products? Do they know that "shellfish" are agricultural products? Well, fish and shellfish are agricultural products, because the act of 1946 so defines them.

Forest products are included. Bees are included as agricultural products. Poultry, livestock, and dairy products are included. Horticultural products are included. Agricultural products include all of those.

Then Mr. President, I need some help, because vitacultural products are included. I do not know what is included in vitacultural products, and I will have to ask my distinguished friend, the Senator for South Carolina, because the act of 1946 includes vitacultural products. I should think that the word "vitacultural" comes from "vita" meaning life, but I still cannot put together the meaning of the vitacultural product.

Agricultural products even include poultry. Perhaps we will have to suggest to a former Secretary of Agriculture that he discontinue his genetic explorations in the field of poultry, because I understand he is on a farm in Connecticut trying to get the chickens to lay two eggs where they laid one egg before. If he succeeds, with all the chickens we have in this country, we will have eggs galore, and we will have an egg and poultry problem.

That is slightly in the humorous vein, but I mention it only to show how broad is the proposal.

Mr. President, I can understand the attitude of the Department of Agriculture. Of course, the capsheaf is found in section 10:

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Such sums will be for what? I think mainly, Mr. President, they will be to duplicate in considerable measure what the Department of Agriculture is already doing, and what private laboratories are doing at the present time.

We get a little impatient in this field. I can understand that. I am no novice in the field of new uses. In 1933, I went so far as to have highway demonstrations. We had the American Automobile Association, the motor vehicle manufacturers, and others conduct experiments with gasoline which contained a 10-percent mixture of alcohol. We called that agrol, and we brought the program forward to the point that finally 1,800 filling stations in the country were selling agrol, which was a mixture of pertoleum or gasoline and alcohol derived from an agricultural product.

In every case it is a matter of conversion. It is a matter of conversion cost. It is a matter of the raw product.

It is a little difficult to hasten these things along, but I think in the main the Department of Agriculture, notwithstanding all the unkind things which have been said about its Christian Secretary, Ezra Benson, is still doing a good job, in my book.

The Department is opposed to the bill, and I have felt it necessary to express the viewpoint of the Department, because, in large measure, it concurs with the personal opinion I have about the bill.

With that, Mr. President, I am willing to yield the floor.

Mr. CAPEHART. Mr. President, will the Senator yield me 10 minutes?

Mr. DIRKSEN. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. DIRKSEN. I yield my distinguished friend from Indiana 5 minutes.

Mr. CAPEHART. Mr. President, what is the purpose of the proposed legislation? I think we ought to keep our eyes on the purpose. Perhaps the bill is not perfect. Perhaps we will have to change it. I never knew of a bill which went through the Congress the first time which was perfect and which did not have to be changed.

The purpose of the proposed legislation is to find new uses in industry for farm products. Thereby we would do what? Thereby we would increase the size of the farmers' market, so he could sell that which he grows.

Everybody knows the reason we have a farm problem today is overproduction. All we are seeking to accomplish by the proposed legislation is to find uses for the farm products we are now growing, and likewise to find some new products which might be grown on the farms to be used for purposes about which we do not now know.

We can approach the problem in a light or humorous vein if we wish, but I want to say it is not very humorous to the 6 million farmers in the United States who are suffering today. It is not very humorous to the taxpayers of America, who are putting up $7 billion a year to operate the Department of Agriculture. It is not very humorous to those who watch, day by day, the surpluses go up and up and up, until there are now nearly $10 billion worth of them.

What is the answer to the farm problem? What is the answer? This bill is an effort to solve the problem. I think it is the only way we can solve the problem.

I happen to know, as a businessman, there are only two ways to increase business. The first is to find new customers to whom to sell products. The other is to sell more goods to present customers.

This is an effort to do both for the farmers. It is an effort to find new customers for the farmers and to sell more to the existing customers.

I regret exceedingly that the Secretary of Agriculture is opposed to the bill. I would think the gentlemen who were here, as the able Senator said a moment ago, lobbying against this proposed legislation, would be hard to find today. If I had a business which was costing the taxpayers about $7 billion a year—with farm prices going down, with the farmers' income going down, with surpluses going up—if I had a record of that sort to look at I would be hard to find when a group of 98 Senators was trying to do something. It may be a feeble effort. However, we are trying to improve the situation of the farmer and trying to take these men off the hook.

I have been fighting the Secretary of Agriculture for 5 years on this very question. I have been trying to help solve the problem in a positive way. The Secretary wants to do it in a negative way. The Secretary wants to reduce further the farmers' production, to reduce further the farmers' prices, in order to discourage them from growing crops. I presume he wants to increase the cost to the taxpayer.

I want to see this bill passed. A year ago 81 Senators voted to pass a similar bill. What we want to do is to find new uses for farm products and new markets so that we can get the Government completely out of the farming business and so that we can relieve the taxpayers of any additional cost.

The farmers must be able to take their products to the open market at prices profitable to them. Despite this we find people opposed to the proposition presented by the pending bill.

The most I have ever heard it said the program might cost would be as much as $100 million a year. Frankly, I do not believe at the moment we would need to spend anything near that amount. But let us think about it a minute. We are spending a billion dollars a year to store the surpluses we have on hand. Despite that, there are those who say this bill may cost a little money and that it is wide open. It is not wide open, because Congress must appropriate the money to do the job. There is nothing wide open about it at all. We reserve the right in the bill to appropriate $1 million or $100 million.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. CAPEHART. How can Senators be against something which is constructive? It is said, "We do not need this bill." Then what do we need? What does the Department of Agriculture recommend to solve the farm problem?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I was about to remark that the deep dark secret about it all was the cost. As the distinguished Senator from Indiana has indicated, the program might cost up to $100 million a year.

Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, while I cannot agree with a single sentence or syllable of the argument of my distinguished friend, I appreciate his position. I recognize that being minority leader carries its responsibilities. Unfortunately the Secretary of Agriculture is opposed to the precise language of this particular bill.

It is not unprecedented for the senior Senator from South Dakota to find himself on the other side of an argument or an issue from the Secretary of Agriculture. We have frequently disagreed; and I disagree with him emphatically in this instance. Agricultural legislation is a matter of economics with me. It is not a political or a partisan matter. I shall continue to support or oppose farm legislation by the application of a simple rule which I have always followed: "Does it benefit our farmers and our nation?" Certainly when we are spending millions of dollars trying to develop new methods to raise more and better farm products to produce additional surpluses, we should spend at least an equivalent amount of money in expanding markets to consume the products we are now raising. The program of the Secretary of Agriculture sometimes sounds as though he proposes to solve the farm problem by reducing prices, so that farmers will reduce production. Even if it worked, it would not benefit the farmers or the rural States or communities. Since such a program would not expand farm income.

I have always supported the opposite course. I want to solve the farm problem by increasing prices and increasing production. There is only one economically sound way to do that, and that is to expand markets for farm products. The Secretary has said over and over again that he wants the farmer to receive better prices in the market place. The way to get better prices in the market place is to get more purchasers in the marketplace, with more money, and more demands that need to be satisfield, so their competition in trying to buy the products they need will force up prices for farm products.

That is what we expect to accomplish by this legislation, which is identical with S. 43 which I introduced on January 8 of this year and with legislation which I also cosponsored in the last Congress. Our Senate Agriculture Committee reported it unanimously as a good method of adding to the human and animal needs for agricultural products, those needs of industry, which will then be developed by utilizing vast amounts of foods and fibers produced on American farms in the fabrication of industrial products.

I urge the passage of the bill by an overwhelming vote.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, I support S. 690 for the promise it offers in bringing about greater markets for farm products, not only for the farmers of my State, but for those of the entire Nation.

Research in the area of new uses for agricultural products, as with other research, can lead to a higher standard of living and a better way of life for all peoples throughout the world.

As a member of the Senate Agriculture Committee, I had the opportunity during the last Congress of participating in the hearings on S. 4100—a bill identical with the one before the Senate today.

This proposed legislation was based on the information presented during those hearings and on the recommendations of the President's Commission on Increased Industrial Use of Agricultural Products. This Commission, after careful study, concluded that it was possible to develop profitable industrial markets capable of absorbing excess farm production.

The Commission gave four requirements for accomplishing this: First, a realization of the potential, together with a sense of urgency; second, a greatly expanded program of basic and applied research; third, a program of fellowships, scholarships, and grants to encourage and develop scientific talent in this area; and, fourth, the means for bridging the gap between laboratory results and actual use of agricultural commodities in industry.

Mr. President, the pending bill to a considerable degree meets the recommendations and requirements set forth by the Commission. It is a compromise of a number of individual bills presented to our committee.

The bill would establish within the Department of Agriculture an Agricultural Research and Industrial Administration, which would be empowered to, first, utilize existing facilities and authorities; second, make research grants; third, use foreign currencies accumulated under Public Law 480, 83d Congress; fourth, enter into contracts or cooperative arrangements; fifth, make incentive payments; sixth, make Commodity Credit Corporation stocks available; seventh, provide for private operation of Government facilities; eighth, assist in the acquisition or expansion of facilities by persons contracting or cooperating in research and development; ninth, grant exclusive licenses to use patents under the control of the Department of Agriculture; tenth, build, maintain, and operate manufacturing facilities; and, eleventh, provide for graduate scholarships and fellowships.

With nearly $9 billion in Government inventory of farm commodities and with every indication of sharp increases in this inventory in the next few years, the positive approach of finding new uses for these commodities, as embodied in S. 690, is sorely needed.

I urge favorable action on the bill.

Mr. DIRKSEN. Mr. President, how much time remains?

The PRESIDING OFFICER. Four and a half minutes remain to the Senator from Illinois.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] has an amendment pending. So far as I know, there is no objection to it. If it is acceptable, I think it could be acted upon at this time.

Mr. MUNDT. It has been accepted.

The PRESIDING OFFICER. Is the Senator from South Carolina willing to yield back all time?

Mr. JOHNSTON of South Carolina. Mr. President, I yield back all the time

I have remaining, both on the amendment and on the bill.

Mr. DIRKSEN. Mr. President, I yield back all time remaining to our side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

The Senator from Connecticut [Mr. DODD] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD] the Senator from Rhode Island [Mr. GREEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON] the Senator from Wyoming [Mr. McGEE], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Rhode Island [Mr. PASTORE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Iowa [Mr. MARTIN] is necessarily absent and if present and voting would vote "yea."

The Senator from North Dakota [Mr. YOUNG] is detained on official business, and if present and voting, would vote "yea."

The result was announced—yeas 76, nays 7, as follows:

YEAS—76

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gruening	Morton
Bartlett	Hart	Mundt
Beall	Hartke	Muskie
Bible	Hayden	Neuberger
Bridges	Hennings	Prouty
Butler	Hickenlooper	Proxmire
Byrd, Va.	Hill	Randolph
Byrd, W. Va.	Holland	Robertson
Cannon	Hruska	Russell
Capehart	Humphrey	Saltonstall
Carlson	Jackson	Schoeppel
Carroll	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S.C.	Smathers
Church	Jordan	Smith
Clark	Kennedy	Sparkman
Cooper	Kerr	Stennis
Curtis	Kuchel	Symington
Douglas	Langer	Talmadge
Dworshak	Lausche	Thurmond
Eastland	Long	Wiley
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, Ohio
Ervin	McNamara	
Frear	Mansfield	

NAYS—7

Bennett	Cotton	Keating
Bush	Dirksen	Williams, Del.
Case, N.J.		

NOT VOTING—15

Chavez	Kefauver	Murray
Dodd	Magnuson	O'Mahoney
Gore	McGee	Pastore
Green	Martin	Williams, N.J.
Javits	Moss	Young, N. Dak.

So the bill (S. 690) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATIONS AND FINDINGS

SECTION 1. That the Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry.

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy.

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations.

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture.

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities.

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts, and on development of means by which present industrial and commercial uses of farm products and byproducts can be extended. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products, and to permit the development of means for expanding existing industrial and commercial uses of farm products and byproducts.

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus.

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, and for expansion of existing industrial and commercial uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

AGRICULTURAL RESEARCH AND INDUSTRIAL ADMINISTRATION

SEC. 2. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing process, of agricultural products, to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

SALARIES

SEC. 3. The positions of three Deputy Administrators of the agency shall be in grade GS-18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided,* That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

POWERS AND DUTIES

SEC. 4. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot-plants, development, trial commercialization and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals and industrial corporations in expanding the industrial and commercial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is empowered:

(a) To make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) To make grants, for periods not to exceed five years' duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) To contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) To make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) To extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, or to expand present industrial and commercial use, where such appear likely to lead to durable additional markets;

(f) To direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (A) research, (B) pilot plant operation, (C) trial commercialization, (D) export of manufactured products, (E) new or byproduct uses, or (F) further development of present industrial and commercial uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) To make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this Act or other legislative authority;

(h) To make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) To provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided however,* That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) To grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) To pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this Act, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) To test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production; and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs in accordance with the purposes named herein.

SCHOLARSHIPS

SEC. 5. The agency may provide graduate scholarships and fellowships and for this purpose may make grants to individuals: *Provided,* That such individuals agree to pursue courses in an accredited college or university in the United States leading to a degree or degrees in a science or field of study having application in agricultural research: *Provided further,* That the initial grants in any one year may be made to individuals to attend any one institution in a number not exceeding 1 percent of the student body.

TRANSFER OF GOVERNMENT PLANTS

SEC. 6. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this Act is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency, provided such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

DEFINITION OF "AGRICULTURAL PRODUCTS"

SEC. 7. The terms "agricultural products" and "farm and forest products" as used in this Act shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

ANNUAL REPORT

SEC. 8. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this Act.

SAVINGS PROVISION

SEC. 9. The authorities under this Act are in addition to and not in substitution for authorities otherwise available under existing law.

APPROPRIATIONS

SEC. 10. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

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

The motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, we expect to move to proceed to the consideration of Calendar No. 570, House bill 4413, and Calendar No. 569, Senate bill 1795, this evening. First in order will be Calendar No. 570, House bill 4413. The very able junior Senator from Mississippi [Mr. STENNIS] will explain these measures. I do not anticipate that there will be a yea-and-nay vote. I hope there will not be; but if a yea-and-nay vote is requested on either of these measures, I will ask that the vote be postponed until tomorrow, so that all Senators may be on notice as to our plan.

Mr. SYMINGTON. Mr. President, what is the second bill?

Mr. JOHNSON of Texas. The two bills to which I have referred are Calendars Nos. 570 and 569. Calendar No. 570 is House bill 4413; and Calendar No. 569 is Senate bill 1795.

Mr. SYMINGTON. I thank the Senator.

IMPROVED OPPORTUNITIES FOR PROMOTIONS FOR CERTAIN OFFICERS IN THE NAVAL SERVICE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 570, House bill 4413.

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

The LEGISLATIVE CLERK. A bill (H.R. 4413) to provide improved opportunity for promotions for certain officers in the naval service, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with amendments, on page 6, line 8, after the word "list", to insert:

Of the officers considered but not recommended for continuation on the active list the board shall further report the names of any officers whose performance of duty would not warrant retention on the active list under any circumstances. Each board shall certify in its written report that in the opinion of two-thirds of the acting members of the board, based on the information available to the board, the performance of duty of each such officer whose name is so reported would not warrant retention on the active list under any circumstances.

On page 8, line 20, after the word "grade", to insert "and whose name has not been reported in the approved report of a board in compliance with subsection 1(h) of this Act"; in line 23, after the word "pay", to strike out "lump sum payments under one of the following methods, at the option of the officer concerned:" and insert "a lump-sum payment of $2,000, effective on the date of his retirement"; on page 9, after line 3, to strike out:

(1) Effective on the date of retirement, an amount equal to the product of two months' basic pay to which he is entitled at the time of retirement and a number which is equal

to his number of years of early retirement, but such product may not exceed $6,000; or

(2) Effective on the date of retirment and the first and second anniversaries thereafter, an amount equal to one-third of the product of two months' basic pay to which he is entitled at the time of retirement and a number which is equal to his number of years of early retirement, but such product may not exceed $6,000.

The number of years of early retirement is determined by subtracting the number of years of service credited to an officer under section 6387 or 6388 of title 10, United States Code, as appropriate, at the time of retirement from the number of years of such service the officer would have had if he had been permitted to remain on the active list until completion of the amount of service specified in section 6376, 6377, or 6379 of title 10, United States Code, as appropriate. If the officer dies before receiving all the benefits due and payable under this subsection, the remaining unpaid amount shall be payable in accordance with the provisions of section 2771 of title 10, United States Code.

On page 10, line 10, after the word "Act", to strike out:

However, in computing the officer's number of years of early retirement, the number of years of service credited to the officer under section 6387 or 6388 of title 10, United States Code, shall be determined as of the date specified for his retirement under this Act.

And on page 13, line 21, after the numerals "30", to strike out "1970" and insert "1965."

Mr. STENNIS. Mr. President, this is an important bill, a bill of far-reaching consequences to those who are more directly affected by it. There are approximately 4,000 Regular naval officers and 1,100 Regular Marine Corps officers. The bill was under consideration for several weeks. It was reported unanimously by the subcommittee, and then unanimously by the Committee on Armed Services.

The bill provides temporary authority for the selective retirement of certain senior commanders and captains in the Navy and equivalent Marine Corps grades prior to the expiration of the normal 26 years for the grade of commander and 30 years for the grade of captain.

This retirement authority has three purposes: First, to create additional vacancies in the immediate years ahead, to avoid about three-fourths of the younger officers in the Navy and Marine Corps hump from being forced into premature retirement at about the 20-year point of nonselection to a higher grade; second, to prevent the accumulation of an unacceptable number of twice or more failed commanders who could reman on duty under existing law until the completion of 26 years of service; third, to provide on equitable grounds a reasonable advancement opportunity to officers now in the regular hump.

Briefly, and by way of summary, this is the situation with which we are confronted: There is in the Navy what is called the World War II hump. These are the Regular Navy who entered service during World War II. Now, 14 years after the end of the war, they have moved up in the scale of advancement to the point where they are now lieutenant commanders with lesser number of junior commander men. This bill is temporary authority which will permit the Navy, through a special board of action, to retire certain senior commanders and captains in order to create additional vacancies for those in the hump. The officers should not be considered substandard because they failed to achieve a higher grade or because of their early retirement. It will simply be because the Navy has too many officers at those levels at a given time.

Unless these officers are retired and avenues are opened up for the promotion of men below them, there will not be a super promotion flow. It is a very unfortunate situation, but it is something which has built up without anyone particularly being at fault.

I, myself, did not favor the bill at all until I was convinced that something of this kind was absolutely necessary to meet an immediate situation, and also to open channels for the normal promotion of officers in the lower brackets.

Mr. President, the Navy presented a convincing case that this legislation was essential to meet the personnel needs of the Navy.

NATURE OF THE PROBLEM

Mr. President, there are about 25,000 Regular officers in the unrestricted line of the Navy. Of this total about 8,000, one-third of the entire corps, are concentrated in the Navy hump. These are the officers who were commissioned during World War II and are now for the most part in the grade of lieutenant commander, except for a few junior commanders. Instead of being concentrated in the 4-year groups of World War II, these offiecrs under normal grade structure should be spread over 11-year groups in order to provide the proper flow of promotions and retirements. There is the same approximate concentration in the other officer groups in the Navy and the Marine Corps.

In the absence of legislative relief the Navy estimates that there will be only 2,000 vacancies in the grade of captain over the next 10 years, for which these 8,000 officers must ultimately compete. In the meantime, there also will be very limited promotion opportunty to the grade of commander. Without relief the following passover percentages must be applied: (a) Of the present lieutenant commanders in the hump group, 70 percent must be passed over, with only 30 percent reaching the grade of commander; (b) for the selection of commanders to captain the passover rate of about 75 percent must be applied, with the selection of only one out of four. In crossing both of these hurdles to commander and captain only 8 out of 100 of the lieutenant commanders, or 8 percent would be selected without some relief.

It is significant to note, Mr. President, that on a percentage basis 70 out of 100 of these lieutenant commanders would be retired at the end of 20 years because of nonselection. Of the remaining 30, 22 would be retired at the end of 26 years in the grade of commander. These forced premature retirements will deprive the Navy in the years ahead of the trained officers essential for the operation and leadership of the Navy.

RESULTS WITH THE LEGISLATION

Mr. President, if this bill is enacted there will be a selection rate to the grade of commander of 60 percent, instead of 30 percent without relief; and to the grade of captain of between 45 and 50 percent, as compared to the 25 percent in the absence of relief. Therefore, out of 100 lieutenant commanders, 60 would be selected to commander. About 25 of this group would reach the grade of captain. There would be a comparable improvement in promotion opportunity for the other officer groups in the Navy and Marine Corps.

COMPARATIVE EQUITY OF OFFICERS INVOLVED

Mr. President, this bill does alter the normal retirement point of 26 and 30 years for the senior officers who will be affected. It should be emphasized, however, that these senior officers have advanced to their present grade with little or no promotion attrition and at the same time have received accelerated promotion in advance of the normal periods contemplated under the basic law. Even with the legislative relief, the younger hump officers will be confronted with much greater promotion competition than the officers who will be involuntarily retired. In view of all of these conditions, this bill represents a reasonable balance of the equities of all the groups which will be affected. More importantly, it should be emphasized that the principal purpose is to meet the needs of the Navy and Marine Corps. As the hearings and report will indicate, the laws have been changed many times over the years with respect to personnel in order to meet changing conditions.

FEATURES OF THE BILL

Mr. President, under existing law a commander in the Regular Navy or lieutenant colonel in the Marine Corps who has twice failed of selection to the next higher grade remains on active duty until the completion of 26 years of service. A twice failed captain or Marine Corps colonel remains until the completion of 30 years of service.

This bill provides that (a) the twice failed commanders or lieutenant colonels will be subject to board action and involuntary retirement prior to the completion of the 26-year point; and (b) that naval captains or Marine Corps colonels who have either twice failed of selection or who have completed 5 years in grade will be subject to involuntary retirement prior to the 30-year point. The 5-year provision is necessary to the Navy since as a technical matter twice failure for admiral does not occur until about the 30th year of service.

The bill provides that all of the officers affected must have at least 20 years for retirement purposes. This authority therefore temporarily suspends the normal 26- and 30-year retirement points.

USE OF THE AUTHORITY

Mr. President, the use of this retirement or noncontinuation authority is described in detail in the committee report. In effect, in the Navy and Marine Corps the Secretary of the Navy will establish

so-called continuation zones each year for these various groups. Boards consisting of officers of flag or general rank established under promotion board procedures will then recommend the officers to be continued on active service and those to be involuntarily retired within the numbers prescribed by the Secretary. For the Navy it is planned over the next 10-year period that about 35 percent of the captains who complete 5 years of service will be involuntarily retired under this authority, and about 45 percent of the commanders over the next 5 years, except that in the first year of operation about 67 percent of the twice failed commanders will be eliminated. The boards will select for retirement those officers with the least potential among all of those considered. The Marine Corps plans to retire all of the twice failed lieutenant colonels and 80 percent of the twice failed colonels.

COMMITTEE AMENDMENTS

Mr. President, I would now like to refer briefly to the three amendments recommended by the committee to this legislation.

1. CUTOFF DATE FROM 1970 TO 1965

The committee amended the bill by reducing the life of the temporary authority for involuntary retirement from June 30, 1970 to June 30, 1965. The June 1965 date will provide a reasonable period for the operation of the plan. At the same time, the Navy can request an extension at a later date if the same conditions persist in 1965 as forecast at the present time. The difficulty in a 10-year plan is that the various factors upon which the plan are based cannot be accurately forecast beyond 5 or 6 years. Even though on paper, the problem will exist in the captain grade in 10 years. It may well be that the problem will be minimized in 1965.

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

Mr. STENNIS. I shall be glad to yield to the Senator from Colorado; but would he mind my covering one additional point in the bill for the information of Senators who may be remaining for that purpose?

Mr. CARROLL. I simply want to make one point which I can raise later on. I shall be happy to defer my request.

Mr. STENNIS. I shall ask the Senator to defer his question for only a short time.

The question comes up about the special compensation, if any, to be made to those men who are being involuntarily retired, even though they have made all the grades and have not been found substandard in any way, that being a situation in which they could serve until they had been in service 26 years, and in some cases 30 years.

The committee finally unanimously agreed on a plan that to help meet the situation of adjusting the families to the new conditions, we would recommend the payment of a full sum of $2,000 to each officer retired under the special provisions of the bill. That was more of a family adjustment than it was extra pay or any kind of retirement pay or any kind of extra payment on the occasion of retirement. It was an attempt to meet a situation whereby these men will have to go out and find other positions in civilian life. They will have to adjust their families to new conditions. They will have to do that before they had otherwise planned to do so.

2. FLAT SUM OF $2,000 FOR ELIGIBLE INVOLUNTARILY RETIRED OFFICERS

Mr. President, the bill as passed by the House provided that certain of the involuntarily retired officers would receive a lump-sum payment, in addition to their retired pay. This additional sum would have been based on 2 months of basic pay for each unserved year prior to normal retirement, with a maximum of $6,000 per individual. In addition, the individual could elect to receive the amount over a 3-year period.

The Senate committee amended the bill by providing that those eligible under the House formula would receive a flat $2,000, regardless of rank or length of service. Those who would be excluded from the lump-sum payment under the House version are those who in effect are involuntarily retired while serving in a rank above the grade held when this bill becomes law. This exclusion is also continued in the present version of the bill.

In addition, the Senate committee has included language which would deny the lump-sum payment to involuntarily retired officers whose record of performance on a quality control basis would not justify their continuation on active duty under any circumstances. The intent of this language would be for the Navy and Marine Corps to exclude from any lump-sum payment those officers who would be subject to the quality control standards for elimination under the permanent authority of Senate bill 1795, the previous bill just discussed.

Mr. President, it should be emphasized that the lump-sum payment should not be considered in any way as establishing a precedent or a right. It might be considered a family adjustment allowance for the purpose of assisting in the necessary changes in the return of these officers to civilian life.

The committee was also of the opinion that a flat sum was more equitable than a graduated formula based on rank and length of service. The readjustment conditions upon leaving military service are not necessarily related to the officer's rank and length of service upon which a graduated formula would be based.

This provision was finally agreed upon as an adjustment, inasmuch as it was not desired to set a precedent. The same treatment will be accorded, regardless of rank or length of service. The only ones who will be qualified to receive the special payment will be those who were in these ranks when the bill was passed. Those who later reach the rank of commander or the rank of captain will do so in part because there has been a thinning out. So the special lump-sum payment will be limited to those who hold these ranks now. Those who reach these ranks as a result of the thinning-out process will come in a different category.

The bill contains certain other minor provisions.

3. REPEAL OF AUTHORITY FOR ADVANCEMENT ON THE RETIRED LIST

Mr. President, the last amendment adopted by the committee is a provision which would repeal, effective November 1, 1959, the present authority to advance Navy and Marine Corps officers on the retired list if they were especially commended for performance of duty in combat before January 1, 1947, by the head of the military department. This amendment would not be retroactive, and would, therefore, not affect the rights and privileges of those who have already received an advance in rank.

Even though no additional pay is attached to the advancement in rank, the committee was of the opinion that the authority should be repealed, in view of the fact that it is discriminatory against officers of the Army and Air Force who may have performed in a similar manner. Since its enactment in 1925, this provision has been limited to Navy and Marine Corps officers. There are factors other than pay which attach to a higher rank, such as greater employment opportunities and the increased prestige of a higher rank. The committee amendment will insure a uniform standard on this matter for all the military services for the future.

Mr. President, I yield now to the Senator from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. President, I thank the Senator from Mississippi for his very clear and concise statement.

Several matters have come to my attention. I wish to state for the RECORD that I do not speak in opposition to the presentation the Senator from Mississippi has made; but I do seek information.

In the case of selective retirement, do I correctly understand that under the present law, commanders who have served 26 years may retire; or captains who have served 30 years may retire?

Mr. STENNIS. Yes. Under present law, that is their normal retirement time—26 years and 30 years, respectively.

Mr. CARROLL. The clear presentation the Senator from Mississippi has made has helped me understand some of these matters. Certainly I am not as experienced in this field as he is.

Let me ask how this measure relates to similar provisions in regard to other branches of the Armed Forces? We know they also have had a World War II "hump." This measure relates to the "r.i.f.'ing" process. Has similar or equal treatment been given in the Army and in the Air Force?

Mr. STENNIS. The Senator's question is very timely. This problem relates especially to the Navy and to the Marine Corps. The other services had a similar problem; but it was handled in a different way, and in large measure the problem has been met. The size of the regular strength of the Army and the size of the Air Force were increased; and that increase helped in part to solve what otherwise would have been a much more acute "hump" problem for them.

The Navy has known of this problem, and has faced it in the best way it could. But the Navy has reached the point where it can do nothing more about it, other than by means of the measure which I have outlined.

Mr. CARROLL. I recall the fact that many Army officers, who may have reached the grade of colonel, were reduced to the rank of sergeant through the "r.i.f.'ing" process.

I wonder whether these commanders and captains, who are covered by this bill, are to be treated differently. The way this problem was handled in the Army had many inequities, in my opinion; but they may have been inevitable.

Mr. STENNIS. I am familiar with that problem. But this measure relates to an altogether different situation. It relates only to regular naval officers.

Mr. CARROLL. That is the point I am interested in.

Mr. STENNIS. The pending bill does not relate in any way to Reserve officers; they will not be affected by it. The problem the Senator from Colorado has mentioned could not arise under this bill.

Mr. CARROLL. When the Senator from Mississippi refers to a "Regular officer," does he mean a graduate of one of the academies, or does he mean a man who has risen from the ranks?

Mr. STENNIS. They do not have to be graduates of the Academy, but they are Regular Navy officers, either from the Academy or from other sources of training which qualify them to be Regular officers.

Mr. CARROLL. Did some of them rise from the enlisted ranks of the Navy and become officers?

Mr. STENNIS. A few of them came from the ranks. They come from all possible sources.

Mr. CARROLL. If they came from the enlisted ranks of the Navy, and if they are then to be given this special treatment, how can we distinguish between them and those who rose from the ranks of the Army and became officers and then were reduced to enlisted rank through the "r.i.f.'ing" process.

Mr. STENNIS. Those in the Army who had that experience were Reserves. This bill will not affect that situation either one way or another. If the Navy can do that under present law, the enactment of this bill will not take away that right; the Navy will still have it.

Mr. CARROLL. I think the pending bill is worthy of consideration. But I believe equal treatment should be given throughout the various services.

Let me ask the cost of the bill, in dollars and cents.

Mr. STENNIS. Of course all the officers must have as much as 20 years of service, and they will receive their retirement pay. But the special provision to which I referred a moment ago is estimated to cost about $6 million.

Mr. CARROLL. Does the Senator from Mississippi mean that will be the cost for the entire group covered by this bill?

Mr. STENNIS. Yes; for the entire group in the Navy and the Marine Corps.

Mr. CARROLL. As I understand, under the present retirement law, a commander in the Navy may retire after 26 years of service, and a captain may retire after 30 years of service; and I understand that a similar provision is in effect for Marine Corps officers of comparable rank.

Mr. STENNIS. That is correct.

Mr. CARROLL. If this measure becomes law, will a board be allowed to make a finding which will result in a reduction of the required period of service—in other words, less than 26 years or less than 30 years, respectively?

Mr. STENNIS. That is correct; the Senator from Colorado has caught the major point of the entire bill.

Mr. CARROLL. Will the Senator from Mississippi state for the RECORD how much discretion the board will have? Could it provide that men with less than 20 years' service could be retired, for example?

Mr. STENNIS. That is a very good question. The board could not reach down to those with less than 20 years. In other words, all of these officers will have to have had at least 20 years of service and, therefore, be entitled to at least 20 years of retired pay.

Mr. CARROLL. Very well. So the purpose of the bill is to reduce the "hump."

Will application of the bill be mandatory?

Mr. STENNIS. Yes; it will. If the board says they shall go out, they will go out.

Mr. CARROLL. Does the bill provide guidelines or standards to help some of the veterans of World War II who also were in the "hump" in the Army? After all, when a colonel is reduced to the rank of master sergeant, and has to continue to serve at the same post, that affects his life and the life of his family, under the military caste system. Is there some way by which that situation can be adjusted for them?

Mr. STENNIS. Not under the provisions of this bill. Certainly the situation to which the Senator from Colorado has referred does involve a problem.

But there is a well-recognized distinction between Regular officers and Reserve officers. So far as the obligation of the Government to them is concerned, they are dealt with separately, entirely.

In other words, a Reserve officer can be dismissed by means of an Executive order; he has no guarantee. But we place a legislative guard or protection around the Regular officers.

But under present conditions, we believe that we are forced to withdraw that legislative protection, because some of these men must go out.

Mr. CARROLL. I agree with the concept stated. I think the Senator is doing the proper thing. It may be that the Army is so big that such dismissals are necessary. But are we applying the same standards, the same equities, to men in the Army and Air Force as we are to men in the Navy and the Marines? That is the purpose of my question.

Mr. STENNIS. As to the Regular officers, that is correct. This bill does not impose any injustice on anyone or show anyone any favoritism.

Mr. CARROLL. Has the Army ever proposed a legislative program similar in nature to that given to the Navy?

Mr. STENNIS. The Army has handled the matter in a different way, due to the circumstances I mentioned a while ago. The Senator from Mississippi really did not handle that bill, but the Army does not have that problem now. Another bill is being proposed, in the way of permanent legislation, that will apply to the Regular officers of all the services. The Air Force in particular has asked for it. It wants special authority to retire some of its Regular officers.

Mr. CARROLL. I think the Senator from Mississippi has been forthright, and his presentation has been most helpful. I think we have a clear understanding about the Navy. Is this bill related to the same problem? Is there involved a question of selective retirement? Is there a similar formula or a system in the Air Force and the Army?

Mr. STENNIS. The Air Force and the Army are not affected by the bill now before the Senate. The Air Force and the Army have a problem, but they propose to handle it under general continuing legislation. They propose to eliminate men by procedures whereby they are declared to be substandard. The officers whose performance does not justify their continuation or active duty are retired in advance of the legislative protection that surrounds them under the present law, but there will be no payment or compensation of any kind. They will go out of the service under the selective process.

If the Senator from Colorado will permit me to do so, I should like to yield to the Senator from Massachusetts [Mr. SALTONSTALL], former chairman of the full committee, who has handled much legislation of this kind in the past. I yield to him.

Mr. SALTONSTALL. Mr. President, I thank the Senator. I will say to the Senator from Colorado that we had the problem of the so-called "hump" several years ago, following World War II. The Army and Air Force have gotten rid of their "humps" as a result of World War II. They have certain problems in relation to officers who are substandard. That problem is handled in another bill which the Senator from Mississippi is backing.

With respect to the pending bill, the Navy has not gotten rid of its "hump." The bill is an effort to give the Navy 6 years to get rid of its "hump." The bill provides a temporary law which will be in effect for only 6 years, during which time the Navy believes it can accomplish the objective of getting rid of the "hump" which followed World War II. So we had to give the Navy special consideration in an effort to be fair to the men who will be affected. The Navy will be affected, along with the Army and the Air Force, in the general bill which will be a lasting law to take care of substandard conditions.

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

Mr. SALTONSTALL. I yield.

Mr. CARROLL. I have not had an opportunity to study the bill. It is only due to the cogent remarks of the Senator from Mississippi that I raised the question. When did the Army start the "r.i.f.'ing" process? What is meant by the term "substandard"? Are we applying the criterion of substandard to the Navy and the Marine Corps? That is the question I am getting at. I have read of complaints from many members of the services who are suddenly washed out. Is that what is meant by "substandard"—being "r.i.f.'d" out of the service or having to go to an enlisted rank?

Mr. SALTONSTALL. No; I do not think that applies.

Mr. CARROLL. What is meant by "substandard"?

Mr. SALTONSTALL. I want to be sure I am accurate before I answer, because I do not wish to complicate the situation. My understanding is that certain boards of higher officers who have the responsibility of recommending promotions have gone over the names of certain officers at least twice. Those names have been passed over for promotion several times because it would not be in the best interest of the service or of the men themselves to promote them.

Mr. CARROLL. I come to this precise point. We have had examples of men who have spent 16 or 17 years in the service and have been promoted to the rank of colonel, who have been told that if they want to retain their retirement rights they must accept the rank of master sergeant, because of the fact that they have been passed over for promotion. A great problem has been created. I ask if the Navy and the Marine Corps men expect the same kind of "r.i.f.'ing" and the same criterion of substandard to which men in the Army are subjected. Are men in the Army subjected to the substandard criterion because of the larger number in the Army?

Mr. STENNIS. That is true with respect to Reserve officers. The Army permits Reserve officers to serve as sergeants and thereby not lose any rights which they may have accumulated. The Navy had the same problem. The Navy dismissed its officers, but did not permit them to become noncommissioned officers.

Mr. CARROLL. What did the Navy do with Naval Reserve officers?

Mr. STENNIS. It eliminated them. They were "ri.f.'d" out of the service. They went out of the service without being permitted to serve in a lower, noncommissioned rank. The Army permitted its officers to serve as sergeants for a certain period of time.

Mr. CARROLL. Do we have any examples in the record of a man who came up through the enlisted ranks in the Navy who would now be affected by this bill? I am not sure I understand all of the titles in the Navy, because I am an Army man. I want that understood for the record. I have been in two World Wars and was an enlisted man in World War I. I have no Army connections now. I am not in the Reserve. I simply raise these questions.

Did any chief petty officer, or the highest enlisted rank of the Navy, go into the officer personnel group? Were men in this situation reduced in rank? Do they come under the provisions of the bill?

Mr. STENNIS. There would be very few of them under the bill, because if there are any at all, they are in the service as Regular officers and not as Reserve officers. Presumably they will get treatment under the bill as favorable as anyone else.

The Senator's thinking is sound and practical, but I ask the Senator to keep in mind that he is thinking about two different groups of officers in all these services. There are the Reserves, who do not have any legislative protection. They are subject to Executive orders all the time. That is one of the ways the manpower rises and falls in the services.

The second group is the Regular officers, to whom we have given the legislative protection I have tried to describe in the opening discussion on the bill. That is what we find it necessary to change. We do not like to do so. It works a hardship on some officers especially, but there is a law of necessity.

Mr. CARROLL. We know that these are difficult problems.

Mr. STENNIS. Yes.

Mr. CARROLL. Do the same provisions apply to the Regular officers of the Army and of the Air Force?

Mr. STENNIS. I think when the proposed permanent legislation is considered and put into operation it will be substantially the same; yes.

Mr. CARROLL. Does the proposed legislation give the Reserve officers of the Army, of the Navy, and of the Air Force the same equitable treatment?

Mr. STENNIS. The bill does not affect the Reserve officers in any way. Those officers are in a different category.

Mr. CARROLL. Both bills?

Mr. STENNIS. Both bills; that is correct. These bills apply to those who have had legislative protection as Regular officers.

Mr. CARROLL. The nub of the question pertains to the Regular officers of the Navy and the Regular officers of the Marine Corps if I correctly understand the remarks of the distinguished Senator from Mississippi. They are accorded the same equitable treatment as the Regular officers of the Army and of the Air Force.

Mr. STENNIS. It is substantially the same.

Mr. CARROLL. The bill does not seek to change in any way the status of Reserve officers of any branch of service?

Mr. STENNIS. The Senator is correct.

Mr. CARROLL. I thank the Senator from Mississippi for his patience and for the clarity of his presentation.

Mr. STENNIS. I thank the Senator from Colorado for his questioning.

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

Mr. STENNIS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I simply wish to state, as a member of the subcommittee under the chairman, the Senator from Mississippi [Mr. STENNIS], that I believe we have tried to improve the quality of the service by affording the opportunity for promotion of qualified men and at the same time making it as fair as we could for those who, after 20 years of service, could be retired under the bill which the Senate will consider in the immediate future, and under this bill, which the Senate is now considering, with relation to the Navy. We have done our best to make it as fair as we could to all of them, and that is the reason for the special treatment.

Mr. STENNIS. I appreciate the remarks of the Senator from Massachusetts.

Mr. CARROLL. Mr. President, will the Senator yield so that I may ask a question of the Senator from Massachusetts, who has had great experience with the military services?

Mr. STENNIS. I yield.

Mr. CARROLL. Is it the opinion of the Senator from Massachusetts that the treatment accorded in the past has been as fair and equitable to Army officers who have been in the service for many years and then suddenly have been sent out as is now proposed for the Navy officers covered in this bill? Is this bill as fair?

Mr. SALTONSTALL. I hope it is. As I say, the Army problem is over, so far as the regular "hump" is concerned. The Navy is the only service with that problem now.

Mr. CARROLL. Let me put the question in a different way. Was the Army as fair to its officers in the elimination of the "hump" as the pending bill is with respect to the Navy officers?

Mr. SALTONSTALL. I hope so.

Mr. CARROLL. What is the Senator's opinion? The Senator has had great experience.

Mr. SALTONSTALL. We took that problem up 3 or 4 years ago. We considered the "hump" in the Army at that time, as well as the "hump" in the Navy. The Army "hump" has been taken care of, so there is no longer any question of special treatment due to the fact that there was a reduction after World War II.

Mr. CARROLL. Perhaps I should state the question still differently. In getting rid of the Army "hump," were the same principles applied as are being applied today to get rid of the Navy "hump"?

Mr. SALTONSTALL. I think so. The "hump" problem was solved, and so far as I know there have not been any great complaints from the Regular forces. At least I have not heard of any.

Mr. CARROLL. I thank the Senator from Massachusetts and the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, there is a major amendment of great importance which was offered to the bill in the committee by a member of the subcommittee, the Senator from Nevada [Mr. CANNON]. I ask the Senator to present that amendment now, or the substance of it, on the merits.

The PRESIDING OFFICER The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I thank the distinguished Senator from Mississippi for yielding to me. I want to add to the Senator's remarks a statement of my own concerning the committee action on this particular bill.

The amendment to which the Senator refers is the amendment which reads:

SEC. 9. (a) Chapter 561 of title 10, United States Code, is amended—

(1) by repealing section 6150; and

(2) by striking out the following item in the analysis:

"6150. Higher retired grade for retired officers specially commended."

(b) This section becomes effective on November 1, 1959.

The committee amendment, which would be effective November 1, 1959, would not be retroactive and, therefore, would have no effect on the privileges of the officers already advanced prior to the date of its repeal.

At the same time, the committee amendment will insure for the future a uniform standard on this matter for all the military services. Since this provision was enacted in 1925, it has applied only to Navy and Marine Corps officers. It is therefore discriminatory against the officers of the other military services, who may have performed in a similar manner but who are not, of course, advanced upon retirement. Even though no additional pay is authorized by virtue of the advancement, the Navy and Marine Corps officers who receive the higher rank enjoy the other advantages attached to the higher grade such as greater employment opportunities and the prestige of the higher rank. In addition, there is also an added advantage for those who may be recalled to active duty from retired status. Under existing law, the Secretary of the Navy has discretionary authority to recall retired Navy or Marine Corps officers to active service in the higher rank to which they were advanced. While serving, these officers receive the pay of the higher rank and, moreover, under existing law, if they serve in a recall status for 2 years, their retired pay will be recomputed under the scales of their advanced rank.

Mr. President, this particular provision is commonly known as the tombstone promotion law which was written into the law in 1925 to provide for particular promotions in the Navy relating to Navy and Marine Corps officers, and to one officer in particular. This provision, in substance, provides that a person who has been specially commended for outstanding service during a particular period of time can by law, upon being retired, be advanced to the next higher grade. A number of officers have been so advanced under that particular provision of law.

Mr. President, I should now like to make a brief reference to the effect which the advancement provision has had on the retired lists in the Navy and Marine Corps. Under existing conditions, a disproportionate number of the retired flag-rank officers in the Navy are officers who never served on active duty in their retired rank but were advanced as a result of the special authority. As of May 24, 1959, out of 1,420 officers on the retired list in the grade of rear admiral, only 198 served in the rank, with 1,220 being advanced from a lower grade. Of 198 vice admirals, 44 served in the rank and 154 were advanced to that rank. Of 62 admirals, 29 served in the rank and 33 were advanced.

Mr. President, in the Marine Corps the retired list indicates a similar disproportionate condition. As of July 24, 1959, out of 186 officers on the retired list in the grade of brigadier general, 17 served in the rank and 169 were advanced to the rank. Of 58 major generals on the retired list, 13 served in the rank and 45 were advanced. Of the 27 officers on the retired list in the 3-star rank, 3 served in the rank and 24 were advanced. Of the 16 officers on the retired list in the 4-star rank, 4 served in the rank and 12 were advanced.

Mr. President, the committee report, on page 32, contains an extensive report of the Department of Defense, which opposes the extension of the advancement provision to the Army and Air Force. The report opposes this provision as being unfair and unsound in principle.

Mr. President, the reasons why the extension of this provision is unsound for two of the military services should also apply to its continuation for the other two services.

I urge the Senate to approve this amendment as adopted by the Senate Committee on Armed Services.

I intended to call up, after the committee amendments have been acted upon, an additional amendment which would extend this same limiting provision to the Coast Guard, since I did not realize the provision extended to the Coast Guard until after the committee amendment had been acted upon.

Mr. President, in summary, I do not believe it is fair that this type of provision, a promotion after retirement from service, should be extended to the Navy and Marine Corps and not to the other services. Therefore, it having been in effect, I believe it is fair to eliminate it, particularly in the light of the view of the Department of Defense that it would oppose extending it to the other services. I believe the Senate should act favorably on the amendment.

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

Mr. CANNON. I yield.

Mr. CARROLL. Did the Senator hear the series of questions which I propounded to the Senator from Massachusetts [Mr. SALTONSTALL]? Was the Senator from Nevada present?

Mr. CANNON. The Senator from Nevada was present.

Mr. CARROLL. Has the Senator any comment to make on the questions which I asked with reference to the Army getting over the "hump"? We are now meeting the Navy "hump," and I suppose there will be an Air Force "hump." I should like to have the Senator's opinion on this subject, because I respect his opinion in this field as well as in other fields.

Mr. CANNON. I thank the distinguished Senator from Colorado for his kind remarks.

As has been stated, the so-called "hump" problem, so far as it relates to the Army and the Air Force, has largely been solved. It has been solved in part by the very point the Senator from Colorado raises. There was a "r.i.f." of reserve personnel, because the Reserve officers filled in many of the slots. Many Reserve officers were regular enlisted men, noncommissioned officers. They then were given the opportunity to remain in the service, and to go back to an enlisted rank, as a part of the "r.i.f." process, with which the Senator is familiar. This, in part, took care of the "hump" problem as it existed in the Army and Air Force.

In addition, the Air Force had been continually expanding over a period of years, and therefore was able to utilize many of the officers, as distinguished from the problem now confronting us with respect to the Navy. The Navy has the "hump" existing, and has no place to use the officers, other than to lose many of the officers in the lower ranks. I think it is well to point out that before considerations by the Board the naval officers who would undergo consideration for termination of service must be men who have had 5 years' service in the respective grades, and have been previously considered for promotion, as I understand the provisions of the bill. So, before they are selected for retirement under this provision of the bill, they will have the opportunity for consideration.

Mr. CARROLL. Do I correctly understand the Senator to say that this is a method of "r.i.f.'ing" Regular officers?

Mr. CANNON. The Senator is not correct. The Senator from Nevada does not consider it as a method of "r.i.f.'ing." They have simply been unable to advance men who came along faster than they would normally have been advanced had it not been for the war. Now they are in the position of the top grades being filled. In the lower grades, commanders and captains are in the position that they are good officers, but they have no place to go, because there is no vacancy above.

Mr. CARROLL. Perhaps some other expression other than "r.i.f." should be used. Does this provision apply only to commanders and captains?

Mr. CANNON. This bill applies only to commanders and captains.

Mr. CARROLL. Therefore, it is not a "r.i.f.'ing" process. It is a removal from the top level so that others may be promoted as distinguished from Army, Air Force, and Navy "r.i.f.'ing."

Mr. CANNON. The bill relates only to the Regular officers of the Navy and Marine Corps. It does not affect the Reserves in any way.

The other bill, which will be under consideration shortly, covers removal of substandard officers. If it is passed, it will apply equally to all services, so that in the future, if the bill which is not now before the Senate, but which will be called up shortly, is passed, it will apply equally to all services in the

future, for the removal of the substandard officers.

Mr. CARROLL. If it applies to all branches of the service, to get rid of the "hump," all will be equally subject to the "substandard" procedures.

Mr. CANNON. That is correct.

Mr. CARROLL. One further question. What is meant by "substandard"? I do not understand the expression. Does it mean that the commanding officer does not like a man? Or has it something to do with the efficiency records?

Mr. STENNIS. Mr. President, if I may interject, I suggest that I should have used the words "quality control" rather than "substandard."

Mr. CARROLL. I like "substandard."

Mr. STENNIS. In any event, the determination is made by a regular board in each service, appointed by the Secretary. The board must meet certain requirements. It sits under certain conditions, with which the Senator is generally familiar. The board has before it the records of these men. It is a quality control feature all the way through, as the Senator from Mississippi understands.

Mr. CARROLL. Has the Senator from Nevada any comment to make on the term "substandard"? I must go home and talk with my people in Colorado on this subject. I must talk with men in the Army who have been "r.i.f.'d". They will say, "The Navy and the Air Force have this special program." I must explain these things at home, and the explanation should appear in the RECORD, so that we will know what we are talking about.

Mr. CANNON. If the Senator from Colorado will permit, I would prefer to discuss the "substandard" officers or the "quality control" bill at the time we are discussing that bill, because the question is not involved in connection with the bill now before the Senate. I do not like to interchange terms in connection with the so-called "hump" bill. The Navy does not contend that the officers involved in the "hump" are substandard officers, or that the bill should be referred to as a quality-control bill. The purpose of this bill is to solve the particular problem of the "hump" by permitting the Navy to retire officers who have served long and faithfully, and perhaps, by reason of a rapid advance due to the war, have been in grade a long time, and have no place to go. Therefore the Navy can deviate below the 26-year and 30-year retirement dates for the release of these men under the retirement program. I shall be happy to discuss the so-called quality-control bill and the substandard problem with the Senator at the time that bill is before us; but I hesitate to become involved in it in connection with the bill now before the Senate.

Mr. CARROLL. Here we are in the evening, 20 minutes to 7, with very few Members on the floor. We are making a record. When we talk about the "hump," it is like a camel's hump. It is proposed to get rid of the men at the top so that men in the lower grades can be moved up.

By another bill it is proposed to trim the hooves of the camel and get rid of the substandard officers. So it is proposed to remove one top group, by offering an incentive to retire, at a cost of $6 million or $7 million. Then it is proposed to remove another group, the so-called substandard group, underneath.

The junior Senator from Colorado now understands what action is proposed. I think he can go home and explain the situation to his constituents. The Senator from Nevada has a far wider experience with military affairs than I have had. Is the Senator from Nevada satisfied with the bill, so far as it affects the Air Force, except for his proposed amendment?

Mr. CANNON. This bill does not affect the Air Force at all.

Mr. CARROLL. But the so-called "substandard" bill does.

Mr. CANNON. The "substandard" bill does.

Mr. CARROLL. In connection with the pending bill, the Senator's amendment has to do with including the Coast Guard, does it not?

Mr. CANNON. The amendment, which I shall offer in a few minutes, includes the Coast Guard. The language in section 9 of the bill relates to the Navy and Marine Corps.

We are talking now about the so-called "tombstone" promotion bill. That is the amendment which the Senator from Nevada was discussing. It relates to three services, the Navy, the Coast Guard, and the Marine Corps. Section 9, together with section 10, which I will propose as an amendment in a few moments, would eliminate that provision in the present law. That is the section I am talking about. We are confusing two problems.

Mr. CARROLL. Does that relate to the Coast Guard?

Mr. CANNON. Section 9 does not relate to the Coast Guard. It relates to the Navy and the Marine Corps. Section 10, which I will offer in a moment, as soon as the committee amendments have been acted upon, would include the Coast Guard.

Mr. STENNIS. Mr. President, if there are no further amendments to be offered, I ask that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there objection to agreeing to the committee amendments en bloc? The Chair hears none. Without objection, the committee amendments are agreed to en bloc.

Mr. STENNIS. Mr. President, the Senator from Nevada has an amendment, and so far as the Senator from Mississippi knows, it is the only amendment to be offered.

Mr. CANNON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 10. (a) Chapter 11 of title 14, United States Code, is amended—

(1) by repealing sections 239 and 309, and

(2) by striking out the following items in the analysis:

"239. Retirement in case of special commendation.

"309. Retirement in case of special commendation."

(b) This section becomes effective on November 1, 1959.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

Mr. STENNIS. Mr. President, as chairman of the subcommittee, I will say that the subcommittee will agree to the amendment being adopted.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Nevada is agreed to.

The bill is open to further amendment.

Mr. STENNIS. Mr. President, I believe the subject has been fully covered. The major points in the bill have been set forth in the statements and the discussion. There will be a bill on the same general subject matter, but not a companion bill, which we propose to bring up when this bill is disposed of.

Mr. HOLLAND. Mr. President, will the Senator yield for one question?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Florida?

Mr. STENNIS. I yield.

Mr. HOLLAND. As I understand, this particular bill applies to the Regular officers of the Navy, the Marine Corps, and the Coast Guard. It requires 20 years' service before it may apply to an officer.

Mr. STENNIS. The Senator is correct. Officers cannot be dismissed or forced out unless they have had 20 years of service.

Mr. HOLLAND. But after they have passed that period, they may be required to retire under the provision of the bill prior to the attainment of their full retirement, which would enable them to recover the largest retirement pay.

Mr. STENNIS. That is correct, before their normal retirement period has been reached.

Mr. HOLLAND. Are we to understand that except for the $2,000 payment which is given in such cases, in no case is any addition to the actual time served, on which the retirement pay is based?

Mr. STENNIS. The Senator is correct. The 20 years is a minimum floor.

Mr. HOLLAND. But there is no addition whatever by the bill, other than the $2,000 payment, to the actual elapsed time of service upon which the retirement is computed.

Mr. STENNIS. The Senator is correct. The House bill had a more liberal provision.

Mr. HOLLAND. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4413) was passed.

AMENDMENT OF TITLE XI OF THE MERCHANT MARINE ACT OF 1936—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

During the consideration of House bill 4413,

Mr. JOHNSON of Texas. Mr. President, will the Senator from Mississippi yield briefly?

Mr. STENNIS. Yes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Mississippi may yield to me, while the minority leader is present. Obviously, we are going to discuss these bills longer than was anticipated, and the Senate will have to go over before taking action on Calendar No. 425, Senate bill 107.

I ask unanimous consent that the Senator from Mississippi may yield to me, without losing the floor, in order that I may propound a unanimous-consent request.

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the consideration of Calendar No. 425, Senate bill 107, to amend title XI of the Merchant Marine Act of 1936, there may be a limitation on the bill of 1½ hours to each side, in other words, a total of 3 hours, to be equally divided between the majority leader and the minority leader, and that the other usual routine terms of a consent agreement may apply.

The PRESIDING OFFICER. The Chair will inquire as to what limitation is desired on amendments.

Mr. JOHNSON of Texas. Thirty minutes on amendments, the time to be equally divided.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and the agreement is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, during the further consideration of the bill (S. 107) to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the term "vessel" in such title, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided, further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until tomorrow at 11 o'clock a.m.

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

PROMOTION AND INVOLUNTARY RETIREMENT OF OFFICERS OF THE ARMED SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 569, S. 1795.

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

The LEGISLATIVE CLERK. A bill (S. 1795) to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces.

THE PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 3, at the beginning of line 9, to strike out "in the grade of colonel or captain, as the case may be, "; and on page 4, in the material following line 14, in the third line of the middle column, to strike out "in computing basic pay" and insert "under section 14053"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 65 of title 10, United States Code, is amended—

(1) by adding the following new section after section 1293:

"§ 1294. Twenty years or more: regular majors, lieutenant colonels, and colonels; regular lieutenant commanders, commanders, and captains

"(a) Not more than once in each fiscal year, the Secretary of a military department may convene one or more boards, each consisting of at least five officers of a regular component of an armed force under the jurisdiction of that Secretary in grades above colonel or captain, as the case may be, to review the records of, and recommend for continuation on the active list, officers of that component on the active list in the following permanent grades who have at least 20 years of service computed under section 3927(a), 6387, 6388, or 8927(a) of this title, whichever applies, and who, in the case of officers of the Army or the Air Force or officers of the Navy in the Nurse Corps, have been considered at least twice but not recommended for promotion to the next higher permanent grade, or who, in the case of other officers of the Navy or officers of the Marine Corps, are considered as having failed of selection at least twice for promotion to the next higher grade and who have not been recommended for promotion to that grade:

"(1) Colonel or captain, as the case may be.

"(2) Lieutenant colonel or commander, as the case may be.

"(3) Major, in the case of officers of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps or female officers of the Air Force (other than those designated under section 8067(a)-(d) or (g)-(1) of this title), or lieutenant commander, in the case of officers of the Navy in the Nurse Corps.

"(b) A board convened under this section shall recommend officers for continuation on the active list in the number specified by the Secretary. The Secretary may specify separate numbers for particular categories of officers. However, the number specified by him for officers in any category must be at least 80 percent of the officers in that category being considered.

"(c) Except as provided by section 47a of title 5, if the Secretary approves the report of a board, he shall, not later than the first day of the seventh calendar month beginning after he approved that report, retire each officer who is considered but not recommended for continuation.

"(d) Notwithstanding subsection (a), a selection board considering officers of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps may include an officer of the Regular Army in that corps who is senior in permanent grade to, and who outranks, any officer in that corps being considered by that board. A selection board considering corresponding officers of the Air Force under this section may, in the same manner, include an officer of the Regular Air Force. A selection board considering officers of the Navy in the Nurse Corps may, in the same manner, include an officer of the Regular Navy.

"(e) So much of chapter 543 of this title as relates to alternate and staff corps members of selection boards, oaths of members, separate numbers for the various kinds of officers in the naval service, voting, and written reports apply to boards convened by the Secretary of the Navy under this section."; and

(2) by inserting the following new item in the analysis:

"1294. Twenty years or more: regular majors, lieutenant colonels, and colonels; regular lieutenant commanders, commanders and captains."

SEC. 2. The table in section 1401 of title 10, United States Code, is amended by inserting the following new formula:

"5	1294	Monthly basic pay to which member would be entitled if he were on active duty in his retired grade.	2½% of years of service that may be credited to him under section 14053 or, if greater, in the case of an Army or Air Force officer, 2½% of years of service credited to him under section 3927(a) or 8927(a), as the case may be.[3]	Amount necessary to increase product of columns 1 and 2 to 50% of pay upon which computation is based.	Excess over 75% pay upon which computation is based."

SEC. 3. Section 1405 of title 10, United States Code, is amended by striking out the words "(formula 4)" and inserting the words "(formulas 4 and 5)" in place thereof.

SEC. 4. Chapter 335 of title 10, United States Code is amended—

(1) by adding the following new sentences at the end of section 3297(d): "Such a recommendation shall be based upon ability and efficiency. Notwithstanding any other provision of law, a board that is to recommend officers for promotion whom it considers to be the best qualified may recommend only those officers whom it also considers to be fully qualified.";

(2) by amending section 3299(c) by striking out the last sentence.

(3) by amending the catchline of section 3300 to read as follows:

"§ 3300. Commissioned officers: promotion to captain or, in the case of officers of Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps, major; selection board procedure";

(4) by striking out the words ", captain, or major" in section 3300(a) and inserting the words "or promotion-list officers of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps in the regular grade of captain" in place thereof;

(5) by striking out the words ", captain, or major" in section 3300(b) and inserting the words "or a promotion-list officer of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps in the regular grade of captain" in place thereof;

(6) by adding the following new subsections at the end of section 3300:

"(d) From promotion-list officers of the Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps, as the case may be, in the regular grade of captain who are not on a list of officers furnished by the Secretary to a selection board under subsection (c), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the regular grade of major a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (c) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection. An officer who is not on a list of officers furnished to a selection board under subsection (c), and who is on a promotion list above an officer who is recommended for promotion under this subsection, shall be treated as if consideration under this subsection were not consideration for promotion.

"(e) The number of officers that may be recommended for promotion under subsection (c) and (d) may not be more than the number specified by the Secretary for promotion under subsection (c).";

(7) by inserting the following new section after section 3300:

"§ 3300a. Commissioned officers: promotion to major or lieutenant colonel; selection board procedure

"(a) When promotion-list officers in the regular grade of captain or major are to be considered, under section 3299 of this title, by a selection board for promotion to the next higher regular grade, the Secretary of the Army shall furnish to the board a list of promotion-list officers, in order of seniority in regular grade, to be considered and shall direct it to recommend a number specified by him for promotion. The board shall recommend those officers whom it considers to be best qualified. However, the number prescribed by the Secretary for recommendation must be at least 80 percent of those listed for consideration for the first time.

"(b) From promotion-list officers in the regular grade of captain or major, as the case may be, who are not on a list of officers furnished by the Secretary to a selection board under subsection (a), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the next higher regular grade a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (a) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection. An officer who is not on a list of officers furnished to a selection board under subsection (a), and who is on a promotion list above an officer who is recommended for promotion under this subsection, shall be treated as if consideration under this subsection were not consideration for promotion.

"(c) The number of officers that may be recommended for promotion under this section may not be more than the number specified by the Secretary for promotion under subsection (a).

"(d) This section does not apply to the promotion of promotion-list officers of the Army Nurse Corps or the Army Medical Specialist Corps to the regular grade of major or lieutenant colonel or to the promotion of promotion-list officers of the Women's Army Corps to the regular grade of major.";

(8) by amending section 3303(d)(3) by striking out the words "the date he would have been retired under section 3913 of this title if he were eligible" and inserting the words "such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Army, but not later than the first day of the seventh month after the Secretary approves the report of that board" in place thereof;

(9) by amending section 3304 by redesignating subsections (b), (c), and (d) as subsections "(d)", "(e)", and "(f)", respectively; striking out the words "subsection (d)" in subsection (d), as so redesignated and inserting the words "subsection (f)" in place thereof; and inserting the following new subsections:

"(b) From promotion-list officers of the Army Nurse Corps or the Army Medical Specialist Corps, as the case may be, in the regular grade of major who are not on a list of officers furnished by the Secretary to a selection board under subsection (a), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the regular grade of lieutenant colonel a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (a) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection.

"(c) The number of officers that may be recommended for promotion under subsections (a) and (b) may not be more than the number specified by the Secretary for promotion under subsection (a).";

(10) by amending section 3305 by redesignating subsections (b), (c), (d), (e), and (f), as subsections "(d)", "(e)", "(f)", "(g)" and "(h)", respectively, and inserting the following new subsections:

"(b) From promotion-list officers in the regular grade of lieutenant colonel who are not on a list of officers furnished by the Secretary to a selection board under subsection (a), the Secretary may furnish the board the names of additional officers, in order or seniority in regular grade. From those officers, the board may recommend for promotion to the next higher regular grade a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (a) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection.

"(c) The number of officers that may be recommended for promotion under this section may not be more than the number specified by the Secretary under subsection (a) for promotion."; and

(11) by striking out the following item in the analysis:

"3300. Commissioned officers: promotion to captain, major, or lieutenant colonel; selection board procedure."

and inserting the following items in place thereof:

"3300. Commissioned officers: promotion to captain or, in case of officers of Army Nurse Corps, Army Medical Specialist Corps, or Women's Army Corps, major; selection board procedure.

"3300a. Commissioned officers: promotion to major or lieutenant colonel; selection board procedure."

SEC. 5. The last sentence of section 3442(c) of title 10, United States Code, is amended to read as follows: "Selections shall be based upon ability and efficiency."

SEC. 6. Section 3913 of title 10, United States Code is amended—

(1) by amending subsection (a) to read as follows:

"(a) A deferred officer who is not recommended for promotion under section 3303(c) of this title, or an officer who is found disqualified for promotion under section 3302(f) of this title, shall, if he has at least 20 years of service computed under section 3927(a) of this title, be retired, except as provided by section 47a of title 5, on such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Army, but not later than the first day of the seventh month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned."; and

(2) by amending subsection (b) by striking out the words "so entitled to retire" and inserting the words "the date he completes 20 years of service computed under section 3927(a) of this title, or the first day of the seventh month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned, whichever is later" in place thereof.

SEC. 7. Section 5707 of title 10, United States Code, is amended by inserting the following new sentence at the beginning of subsection (i): "Recommendations for promotion or for continuation on the active list shall be based upon ability and efficiency."

SEC. 8. Chapter 573 of title 10, United States Code, is amended—

(1) by adding the following new sentence at the end of each of subsections (a) and (b) of section 6382: "However, if he so requests, he may be honorably discharged at any time during that fiscal year.";

(2) by adding the following new sentence at the end of each of subsections (d) and (e) of section 6383: "However, if he so requests, he may be honorably discharged at any time during that fiscal year.";

(3) by inserting the words "or, in the discretion of the Secretary of the Navy, on any earlier date if the officer so requests" after the words "his name is so reported" in section 6384(b);

(4) by adding the following new sentence at the end of section 6401(a): "However, if she so requests, she may be honorably discharged at any time during that fiscal year."; and

(5) by adding the following new sentence at the end of section 6402(a): "However, if she so requests, she may be honorably discharged at any time during that fiscal year."

SEC. 9. Chapter 835 of title 10, United States Code, is amended—

(1) by adding the following new sentences at the end of section 8297(d): "Such a recommendation shall be based upon ability and efficiency. Notwithstanding any other provision of law, a board that is to recommend officers for promotion whom it considers to be the best qualified may recommend only those officers whom it also considers to be fully qualified.";

(2) by amending section 8299 by striking out the words "or (g)" in subsection (a) and inserting the words ", (g), or (h)" in place thereof; by striking out the last sentence of subsection (c); and by redesignating subsection (h) as subsection "(j)" and inserting the following new subsections:

"(h) From Air Force nurses or medical specialists, as the case may be, in the regular grade of major who are not on a list of officers furnished by the Secretary to a selection board under subsection (g), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the regular grade of lieutenant colonel a number of officers, whom is considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (g) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection.

"(i) The number of officers that may be recommended for promotion under subsections (g) and (h) may not be more than the number specified by the Secretary for promotion under subsection (g).";

(3) by amending the catchline of section 8300 to read as follows:

"§ 8300. Commissioned officers: promotion to captain or, in the case of certain female officers, major; selection board procedure";

(4) by striking out the words ", captain, or major" in section 8300(a) and inserting the words "or female promotion-list officers (other than those designated under section 8067 (a)-(d) or (g)-(i) of this title) in the regular grade of captain" in place thereof;

(5) by striking out the words ", captain, or major" in section 8300(b) and inserting the words "or a female promotion-list officer (other than one designated under section 8067 (a)-(d) or (g)-(i) of this title) in the regular grade of captain" in place thereof;

(6) by amending section 8300 by striking out subsection (d) and inserting the following subsections in place thereof:

"(d) From female promotion-list officers (other than those designated under section 8067 (a)-(d) or (g)-(i) of this title) in the regular grade of captain who are not on a list of officers furnished by the Secretary to a selection board under subsection (c), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the regular grade of major a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary under subsection (c) for promotion. If 5 percent of that number is less than one officer, the board may recommend one officer under this subsection. An officer who is not on a list of officers furnished to a selection board under subsection (c), and who is on a promotion list above an officer who is recommended for promotion under this subsection, shall be treated as if consideration under this subsection were not consideration for promotion.

"(e) The number of officers that may be recommended for promotion under subsections (c) and (d) may not be more than the number specified by the Secretary for promotion under subsection (c).";

(7) by inserting the following new section after section 8300:

"§ 8300a. Commissioned officers: promotion to major or lieutenant colonel; selection board procedure

"(a) When promotion-list officers in the regular grade of captain or major are to be considered, under section 8299 of this title, by a selection board for promotion to the next higher regular grade, the Secretary of the Air Force shall furnish to the board a list of promotion-list officers, in order of seniority in regular grade, to be considered and shall direct it to recommend a number specified by him for promotion. The board shall recommend those officers whom it considers to be the best qualified. However, the number prescribed by the Secretary for recommendation must be at least 80 percent of those listed for consideration for the first time.

"(b) From promotion-list officers in the regular grade of captain or major, as the case may be, who are not on a list of officers furnished by the Secretary to a selection board under subsection (a), the Secretary may furnish the board the names of additional officers, in order of seniority in regular grade. From those officers, the board may recommend for promotion to the next higher regular grade a number of officers, whom it considers to be the best qualified, that is not more than 5 percent of the number specified by the Secretary for promotion under subsection (a). If 5 percent of that number is less than one officer, the board may recommend one officer under this subsecton.

"(c) The number of officers that may be recommended for promotion under this section may not be more than the number specified by the Secretary under subsection (a) for promotion."; and

(10) by striking out the following item in the analysis:

"8300. Commissioned officers: promotion to captain, major, or lieutenant colonel; selection board procedure."

and inserting the following items in place thereof:

"8300. Commissoned officers: promotion to captain or, in the case of certain female officers, major; selection board procedure.

"8300a. Commissioned officers: promotion to major or lieutenant colonel; selection board procedure."

SEC. 10. The last sentence of section 8442(c) of title 10, United States Code, is amended to read as follows: "Selections shall be based upon ability and efficiency."

SEC. 11. Section 8913 of title 10, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) A deferred officer who is not recommended for promotion under section 8303(c) of this title, or an officer who is found disqualified for promotion under section 8302(f) of this title, shall, if he has at least 20 years of service computed under section 8927(a) of this title, be retired, except as provided by section 47a of title 5, on such date as may be requested by him and approved under regulations to be prescribed by the Secretary of the Air Force, but not later than the first day of the seventh month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned."; and

(2) by amending subsection (b) by striking out the words "so entitled to retire" and inserting the words "the date he completes 20 years of service computed under section 8927(a) of this title, or the first day of the seventh month after the Secretary approves the report of the last board that did not recommend him for promotion to the grade concerned, whichever is later" in place thereof.

SEC. 12. Section 1431(c) of title 10, United States Code, is amended by striking out the second sentence and inserting the following sentences in place thereof: "Unless made under section 1433, the change or revocation is not effective if he is retired or becomes entitled to retired or retainer pay within five years after the date of the change or revocation. However, a change or revocation made by an officer who is retired under section 1294 of this title is effective if made at such a time that it would have been effective had he been retired on the earliest date prescribed for an officer of his kind by section 3915, 3916, 3921, 6376, 6377, 6379, 6396, 8915, 8916, or 8921, as the case may be, of this title."

Mr. MANSFIELD. Mr. President, for the information of the Senate, when this bill is disposed of, the next order of business will be Calendar No. 425, S. 107, a bill to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the "vessel" in such title, and following that we will consider Calendar No. 560,

S. 2424, a bill to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs.

Mr. STENNIS. Mr. President, I shall not detain the Senate long, although this is an important bill and I think it should be explained.

This bill and the preceding bill were handled in the subcommittee by a subcommittee of five, consisting of the Senator from South Carolina [Mr. THURMOND], the Senator from Nevada [Mr. CANNON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Maine [Mrs. SMITH], and I. I had the honor of being the chairman of the subcommittee. I mention the names of the other members because they gave the problem a great deal of time and attention. The subject is rather involved, and the proposed legislation is really rather drastic, in a way. No one was happy about the situation or the recommendation which we felt compelled to make, but we did get together on a unanimous report. I want to thank each of them for the very fine services they rendered.

Mr. President, the basic purpose of this bill is to provide certain quality control authority for the management of the Regular officer personnel in the military departments. Basically, the bill provides that Regular officers in the grade of lieutenant colonel and colonel, and equivalent Navy grades, who have twice failed of selection to the next higher permanent grade, will be subject to involuntary retirement prior to completing the normal retirement point if their performance does not justify their continuation on active duty. In addition, the bill makes certain changes in the permanent promotion laws of the Army and Air Force to make more competitive the selections in the services.

Mr. President, before discussing the details of this permanent legislation, I would like to observe some of the basic reasons for its need.

One of the most difficult problems which is always confronting the military departments is the matter of improving the quality of its personnel. Any sound personnel management plan must, among other things, contain two essential points. First, it must provide for a career which is sufficiently attractive to young men to induce them to enter and remain in the military service, and secondly, it must provide for the elimination of such personnel who fail to measure up to the high standards of quality which are necessary in this day of complex weapons and atomic power.

Mr. President, the various items of pay legislation, together with the additional items providing for various fringe benefits which have been enacted by the Congress in the past few years, have gone toward meeting the first requirement. The pending bill is aimed at assisting toward meeting the second objective of improving the military personnel system.

FEATURES OF THE BILL

INVOLUNTARY RETIREMENT AUTHORITY

Under existing law, in the Army and Air Force, regular officers in the grade of major and below who have twice failed of selection to the next higher permanent grade are eliminated from active service with either severance pay or are retired if they have the 20 years of service. With respect to the regular grade of lieutenant colonel, however, these officers remain on active duty until the completion of 28 years of service, even though they have failed two or more times to the next higher permanent grade. Marine Corps lieutenant colonels remain on active duty until the completion of 26 years after they have twice failed to the next higher grade. With respect to colonels and captains, these officers remain in active service until the completion of 30 years, even though they have twice failed of selection to the next higher grade.

There is a considerable period in some cases between the time of the second failure and the normal retirement point. In the Air Force, regular lieutenant colonels are presently being twice failed to regular colonel at an average of 20 years of service and in the Army between 25 and 26 years. In the Navy and Marine Corps, the second passover for this grade occurs at about the 20th year of service.

These officers would ordinarily continue to serve until either the completion of 26 or 28 years.

At the present time regular colonels in the Air Force are twice failed of promotion to brigadier general at about the 25th year of service; in the Army, the second failure occurs at about the 27th year.

It is the position of the Department of Defense that these various retirement points of 26, 28, and 30 years of service of the twice-failed officers operate in some cases to keep on the active list some whose performance in the grades concerned does not justify their continuation on active duty.

This bill provides permissive authority whereby the service secretaries may establish five-man officer boards to consider officers in these twice failed categories. These boards would recommend those who would be continued on the active list and those who should be retired. The bill further provides that all officers affected must have at least 20 years for retirement purposes. Furthermore, the bill provides that at least 80 percent of the group being considered by a given board must be retained on the active list. Or, in other words, only 20 percent of each grade being considered may be involuntarily retired.

Mr. President, the bill contains a special provision with respect to certain female officers in the grade of major who have twice failed of selection to the next higher grade. This provision is similar to that provided for twice failed lieutenant colonels. The provision was recommended by the Department of Defense because of the special existing provisions of law which provide that certain twice failed female majors may remain on duty until the completion of 25 years of service. The provision of this bill would subject this group to the same standards being applied to the male and remaining female officers.

USE OF THE LEGISLATION

Mr. President, the permanent authority of this legislation will not be used in the next few years by the Navy and Marine Corps. The personnel situation of these two services is such that they require the use of the more drastic elimination authority temporarily provided in H.R. 4413, the Navy hump bill, which will be considered immediately following this bill. The Navy testified, however, that they fully support the legislation which would provide a useful permanent management tool. The Air Force indicated that they had immediate need for this legislation and that its authority would be implemented as soon as possible after enactment. Army on the other hand, was of the position that as of the present time, the existing statutory authority under the show-cause procedure was sufficient for quality control purposes in these senior regular grades. The Army did support the measure as useful for possible future requirements.

NO BREACH OF FAITH

Mr. President, the question could be raised as to whether the enactment of this legislation could be regarded as a breach of faith to those officers who would be involuntarily retired prior to completing either the 26-, 28-, or 30-year periods of active service.

The record should be clear that this legislation does not constitute any breach with respect to those officers who might consider themselves adversely affected by these provisions. For many years legislation has been enacted aimed at improving the personnel policies of the Armed Forces and of meeting changing times and conditions. Whenever any change is made it could be argued that there are some individuals who would have greater benefits under the old system than under the new. The Department of Defense testified in effect that it did not consider that this legislation would lessen the security incentive aspect of a military career. The removal of this type of officer from the active list provides both a greater opportunity and an incentive for superior performance for all officers. The following Department of Defense testimony should be quoted in this regard:

> As to whether enactment of S. 1795 might operate to lessen the security incentive aspect of a military career, the Department of Defense is confident that this will not be the case. With the recently enacted military pay bill, levels of pay have been provided for the higher grades which careerwise offer a significant financial incentive. Greater emphasis has been placed on achievement and less on the total number of years a person has been in service. The kind of officer the services are seeking to attract has confidence in his ability and is more than willing to have his future success depend on his ability, hard work, and initiative. He wants the opportunity to advance on his

merits and to receive recognition on the basis of performance rather than length of time in service. He does not place reliance on "security" by making it the sole or even major consideration in his choice of a career. We believe that he will willingly accept the stiffer career competition implicit in this bill.

PROMOTION PROVISIONS

Mr. President, this bill further proposes several changes in the permanent promotion laws of the Army and Air Force which tend to make the systems more competitive and at the same time recognize outstanding officers.

MANDATORY USE OF BEST QUALIFIED SYSTEM

Mr. President, the bill amends existing law by requiring the use of the best-qualified system for selection to the permanent grade of major and lieutenant colonel in the Army and Air Force. Under the best qualified system, the number of officers being considered, in effect, compete among themselves for a lesser number of vacancies than the total number being considered. The bill, in effect, provides that the boards will be given sufficient vacancies to recommend at least 80 percent of those being considered. Existing law authorizes the use of either the best qualified system or a so-called fully qualified method under which those being considered do not compete among themselves, but are only selected on the basis of meeting the minimum qualifications.

The required use of the best qualified system will result in a uniform standard in all of the services, since the Navy and Marine Corps under present law are required to use this system.

FIVE PERCENT BELOW THE ZONE SELECTION

The bill further amends existing law by providing that up to 5 percent of the permanent promotions to the grade of captain, major, and lieutenant colonel in the Army and Air Force may be from among those officers who are below the so-called zone of consideration. Under existing law, all such promotions must be made from among those officers within the zone. This additional 5-percent feature would permit the outstanding officers to be selected ahead of their contemporaries if their record of performance justified such advancement. Again, the 5-percent provision would result in the uniform provision in all the military services, since the Navy and Marine Corps presently possess such authority.

Mr. President, there are several minor modifications of existing law contained in this bill which are explained in detail in the committee report. The effect of all these changes is to bring the promotion laws of all the services into greater uniformity.

By way of summary, the proposed legislation would permit the respective services to retire officers on a quality control basis before they had served the number of years which I have just mentioned, in which event there would be no special compensation or no special consideration from a monetary standpoint, except as may be listed in present law. It is clear that this will not be any breach of any kind of contract or agreement, or anything of that kind, express or implied, which is in the present law. The proceedings will be one of eliminating these officers. It will be on the basis of a quality control process, and it will be conducted by military boards to be selected by the secretaries, for which boards law, tradition, and custom point out well-defined courses and channels to be followed.

Mr. President, there are two relatively minor committee amendments. One provides that at least 80 percent of the group being considered by a given board must be retained on the active list; in other words, only 20 percent of each group being considered may be involuntarily retired. The bill as recommended applied the 80-percent limit only to the grade of colonel.

The other amendment is strictly technical and concerns a word and a reference in the bill.

I move that the committee amendments be adopted.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

Mr. STENNIS. So far as I know, there are no other amendments to be offered. If my understanding is correct, I now move the third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1795) was passed.

AMENDMENT OF TITLE XI OF THE MERCHANT MARINE ACT, 1936

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 425, S. 107.

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

The LEGISLATIVE CLERK. A bill (S. 107) to amend title XI of the Merchant Marine Act, 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the "vessel" in such title.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

Mr. MANSFIELD. Mr. President, it is my understanding that on this measure a time limitation has been agreed to, namely, 30 minutes on each amendment and 3 hours on the bill.

The PRESIDING OFFICER. The Senator from Montana is correct.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I inform the Senate again that immediately following the conclusion of action on S. 107, the next order of business will be the equal-time amendment to the Communications Act of 1934, Calendar No. 560, S. 2424.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, July 28, 1959, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 27, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hebrews 13: 6: *That we may boldly say, the Lord is my helper, and I will not fear what man shall do unto me.*

Almighty God, our gracious Benefactor and Father of all mercies, may we daily appreciate Thy goodness more fully and discern Thy beneficent purposes more clearly.

Gird us with faith and fortitude for the events and experiences of each new day for we know not what a day may bring forth and may Thy peace be our strength and song as we commit ourselves gladly to the dispensation of Thy divine providence.

Grant that with hearts of love and minds of good will we may enter sympathetically, helpfully into the life of needy humanity, sharing with others the blessings which bring us health and happiness.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 23, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 306. An act to amend the Federal Crop Insurance Act;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 1631. An act for the relief of Joseph B. Kane, Jr.;

H.R. 2594. An act for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of

a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 2846. An act for the relief of Dorman William Whittom;

H.R. 3088. An act to amend sections 353 and 354 of the Immigration and Nationality Act;

H. R. 3117. An act for the relief of Albert J. Hicks;

H.R. 3249. An act for the relief of William S. Scott;

H.R. 4060. An act to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payments bonds commences to run;

H. R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.;

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base;

H.R. 6955. An act for the relief of Sallie B. Dickens; and

H.R. 7631. An act to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees;

H.R. 697. An act to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes;

H.R. 2909. An act relating to the maintenance and travel expenses of judges;

H.R. 4340. An act to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. 71, 62) to simplify the filling of referee vacancies;

H.R. 6714. An act for the relief of Abraham Fye;

H.R. 6717. An act for the relief of Robert N. Anthony; and

H.J. Res. 354. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 36. An act for the relief of Page A. Wilson;

S. 281. An act to authorize the Secretary of the Interior to construct, operate, and maintain a regulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho, and for other purposes;

S. 464. An act for the relief of Julia Mydlak;

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.;

S. 906. An act to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section;

S. 1038. An act for the relief of Wong Gar Wah;

S. 1049. An act for the relief of Rachel Borenstein;

S. 1110. An act to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act;

S. 1392. An act for the relief of Isabel M. Menz;

S. 1436. An act to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869);

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua;

S. 1627. An act for the relief of Mrs. Paula Deml;

S. 1650. An act for the relief of Edmund A. Hannay;

S. 1694. An act to extend the existing authority to provide hospital and medical care for veterans who are United States citizens temporarily residing abroad to include those with peacetime service-incurred disabilities;

S. 1945. An act for the relief of Josef Jan Loukotka;

S. 2153. An act to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes;

S. 2208. An act to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act;

S. 2220. An act to strengthen the Commissioned Corps of the Public Health Service through revision and extension of some of the provisions relating to retirement, appointment of personnel, and other related personnel matters, and for other purposes;

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes;

S. J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand;

S. J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium;

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability"; and

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change.

AREA REDEVELOPMENT LEGISLATION

Mrs. KEE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. KEE. Mr. Speaker, area redevelopment legislation has been pending before the House since May 14. On that date, an amended version of S. 722 was sent to the House Rules Committee.

As of this date, no further action has been taken on this measure which is of such vital importance to West Virginia and other States suffering from chronic and substantial unemployment.

It is unthinkable, Mr. Speaker, that the House will adjourn without acting on this vitally important legislation. The unpleasant economic facts which make area redevelopment legislation so urgently needed will not go away if we simply ignore them. They will remain with us to haunt the country in the future.

West Virginia and other States suffering from pockets of unemployment are not asking for a Federal handout. Rather, we are asking the Federal Government to authorize a program under which the efforts of local, State, and Federal Governments can be coordinated in a concentrated effort to help these areas regain economic stability.

Recently, Mr. Speaker, Miss Sylvia Porter, one of the Nation's finest economic writers, called attention to the great number of people who have been out of work for 3 months and to the large number who have been out of work for 6 months.

She wrote in her outstanding column:

> This legislation [area redevelopment] still remains bottled up in the House and maybe that is where it will end. But if Congress doesn't act, the problem won't go away. Instead, it will be worse when the next recession comes. The hard core will be harder and thicker. The solutions will be tougher and will take much longer.

LABOR LEGISLATION

Mr. MUMMA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MUMMA. Mr. Speaker, I was at home in my congressional district, as customary, over the weekend. I attended the usual functions to which a Congressman is invited, and I was surprised by the expression of interest on the part of the people attending these affairs and, also, the number of telephone calls I received. This morning, when I came to Washington, I found a stack of letters on my desk; there must have been 150. These letters called my attention to a television program last week, the Jack Paar Show. I was not aware that such a large number of people stayed up so late at night. The purpose of all these personal conversations, telephone calls and letters was the demand for a strong labor bill. I think Congress should take advantage of this opportunity to try and pass a good labor bill.

It was further surprising to me the varying background of those who contacted me. The group includes pastors, their wives, attorneys, engineers, workmen, and also a lot of just good citizens. A couple of letters were missent to my office and were intended for other Members of the House. Upon inquiry, we find this mail on the labor situation is pretty much the same in most offices and nothing has stirred up more spontaneous reaction in a long time. The

bill that the House of Representatives will consider contains very little of the original Kennedy-Ervin bill inasmuch as there have been 103 amendments by the House committee of which, I understand, only 5 might strengthen the bill, while there are 98 others that water it down further. To my mind, about the only strength the Kennedy-Ervin bill had was the original McClellan "bill of rights" which before leaving the Senate was watered down.

The people in my district want a strong labor bill, and I am writing them that I, too, want such a bill and agree with their views.

ADDITIONAL ALLOWANCE FOR STATIONERY

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution, House Resolution 314, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, until otherwise provided by law, there shall be paid out of the contingent fund of the House of Representatives an additional allowance of $600 per regular session for stationery for each Member of the House of Representatives, Delegate, and Resident Commissioner.

SEC. 2. The first section of this resolution shall take effect January 7, 1959.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

OMNIBUS AMENDMENTS TO THE RESERVE OFFICERS PERSONNEL ACT OF 1954

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 324, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8186) to amend titles 10 and 14, United States Code, with respect to reserve commissioned officers of the Armed Forces. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Idaho [Mr. BUDGE], and pending that I yield myself such time as I may consume.

Mr. Speaker, this resolution unanimously reported by the Committee on Rules makes in order the consideration of a very complicated, technical bill, amending the Reserve Officers Personnel Act. The bill H.R. 8186, was reported unanimously by the Committee on Armed Services.

Mr. Speaker, I reserve the balance of my time.

Mr. BUDGE. Mr. Speaker, a revision of the statutes with reference to Reserve officers is long overdue. I know of no opposition to the bill on this side.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

IMPROVING ACTIVE DUTY PROMOTION OPPORTUNITY FOR CERTAIN AIR FORCE OFFICERS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 325 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8189) to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Idaho [Mr. BUDGE] and at this time I yield myself such time as I may require

Mr. Speaker, House Resolution 325 makes in order the consideration of H.R. 8189, improving active duty promotion opportunity for certain Air Force officers. The resolution provides for an open rule and 1 hour of general debate.

The purpose of the proposed legislation is to authorize the Air Force to exceed the total number of majors serving on active duty by the end of fiscal year 1961 by 3,000 over and above that number authorized by the Officer Grade Limitation Act. If enacted, this legislation will permit Reserve captains now serving on active duty to be promoted to the grade of major for pay purposes. Without the proposed legislation, these officers will continue on active duty in the grade of captain, and relatively few will have an opportunity to attain the grade of major. By June 30, 1961, there will be 6,400 Reserve captains serving an active duty in the Air Force, all of whom will have completed 14 or more years of active duty.

Under existing law, Regular officers must be promoted to the grade of major upon the completion of 14 years of promotion list service. The Officer Grade Limitation Act limits the total number of officers who may serve in the grade of major by fiscal year 1961 to 23,146. This is based upon a total officer strength of approximately 126,000 officers. At the present time there are 22,800 majors serving on active duty, 35 percent of whom are Regulars and 65 percent of whom are Reserve officers.

The Officer Grade Limitation Act permits the Air Force at this time to have approximately 23,000 officers on active duty serving in the grade of major. This limitation precludes the promotion of many Reserve captains who have demonstrated their ability to serve on active duty in the grade of major in several ways. All of them have been promoted to the grade of major under the Reserve Officer Personnel Act and, therefore, have been subjected to a selection system for a permanent Reserve promotion. In addition to having been selected to the Reserve grade of major, they have been retained on active duty in the Air Force. The Air Force states that their continuation on active duty is necessary and fully justified. These officers, for the most part, fulfill assignments of great importance to the Air Force. Many of them are pilots in the Military Air Transport Service and special air missions. The great number of them, however, are serving in the Strategic Air Command.

Simple equity requires favorable consideration of legislation which will permit these Reserve officers to have approximately the same opportunity for promotion to the grade of major as their counterparts have in the Regular service.

This same problem does not exist in the Army or the Navy.

The proposed legislation is temporary legislation since an overall study of the Officer Grade Limitation Act will be conducted by the Department of Defense prior to June 30, 1961. It will not accelerate promotion in any other grade nor will it increase the total number of officers on active duty.

It should be noted that this legislation will not increase retirement costs in any manner since all of the Reserve officers who will be promoted to the grade of major now hold the grade of major as Reserve officers and upon the completion of 20 years of active duty will qualify for retirement pay in this grade, unless promoted to a higher grade. With the enactment of this legislation, approximately 5,000 Reserve captains who have 14 or more years of active service may be promoted to the grade of major.

There will be no new cost in fiscal 1960 since the estimated cost of $852,000 will be absorbed in the present Air Force budget. The estimated fiscal 1961 cost is $2,130,000.

The proposed legislation is unanimously recommended by the Committee on Armed Services. I urge the adoption of this resolution.

Mr. BUDGE. Mr. Speaker, I understand this is temporary legislation to take care of a problem in the Air Force for 1 fiscal year only. I know of no opposition to adoption of the rule.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

REGULATION OF SAVINGS AND LOAN HOLDING COMPANIES

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 323 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7244) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 323 makes in order the consideration of H.R. 7244, pertaining to the regulation of savings and loan holding companies. The resolution provides for an open rule and 1 hour of debate.

H.R. 7244 would prohibit any holding company from acquiring control of two or more savings and loan associations if the savings accounts in the associations are insured by the Federal Savings and Loan Insurance Corporation. It also denies Federal Savings and Loan Insurance Corporation insurance to any uninsured savings and loan association if it is controlled by a holding company which also controls an insured savings and loan association. Finally, the bill as reported prohibits any insured savings and loan association controlled by a holding company from making any loan to the holding company or any of its subsidiaries.

The bill does not have any retroactive effect. That is, it would not require an existing holding company to divest itself of an insured association it now controls. But the company could not acquire control of any additional insured association.

Two years ago there were only two principal holding companies owning two or more associations. Today there are more than a dozen savings and loan holding companies in existence or definitely projected, and their operations extend to six States. In view of the rapid growth of these savings and loan holding companies, it is apparent that prompt action is needed if we are to preserve the traditional pattern of independent, locally managed savings and loan associations.

This bill was unanimously agreed to by the House Banking and Currency Committee.

I urge the adoption of this resolution.

Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, I think this legislation is very timely. I know of no objection to the adoption of the rule and I yield back the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INTER-AMERICAN DEVELOPMENT BANK

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7072) to provide for the participation of the United States in the Inter-American Development Bank. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 322 makes in order the consideration of H.R. 7072, providing for the participation of the United States in the Inter-American Development Bank. The resolution provides for an open rule and 2 hours of general debate.

This bill authorizes the President to accept membership on behalf of the United States in the Inter-American Development Bank; it also authorizes to be appropriated the full amount of the U.S. subscription of $450 million. It contains several provisions of law necessary to make our membership effective, including provisions relating to the marketing of the Bank's securities in the United States, and it provides for the coordination of the activities of U.S. representatives to the Inter-American Development Bank by the National Advisory Council on International Monetary and Financial Problems. The bill requires the approval of Congress for certain actions on behalf of the United States with respect to the Inter-American Development Bank, including voting an increase in capital or subscribing to additional stock, and accepting any amendment to the Bank agreement.

The Inter-American Development Bank is designed to expand the economic growth of Latin America. It will make loans for projects in these countries to supplement other sources of credit. It will also assist these countries in formulating development programs and in engineering and organizing projects. Its technical assistance will help these countries obtain capital from other sources, as well as from the Inter-American Bank. The Bank, drawing its membership from the 21 American Republics, will have resources of $1 billion, of which $850 million will be the ordinary capital of the Bank and $150 million will be placed in a Fund for Special Operations. Our subscription to the ordinary capital of the Bank will amount to $350 million and our contribution to the Fund for Special Operations will be $100 million.

The President, in recommending the enactment of this legislation on May 11, 1959, said:

> The establishment of the Inter-American Development Bank and our participation in it will be a most significant step in the history of our economic relations with our Latin American neighbors. It will fulfill a long-standing desire on the part of the Latin American Republics to have an inter-American institution specifically designed to promote the financing of accelerated economic development in Latin America.

I urge the adoption of this resolution.

Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, while I have some personal reservations as to the wisdom of this legislation, I think it properly should be brought before the House. I have no requests for time on the rule.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OMNIBUS AMENDMENTS TO THE RESERVE OFFICER PERSONNEL ACT OF 1954

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8186) to amend titles 10 and 14, United States Code, with respect to Reserve commissioned officers of the Armed Forces.

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. 8186, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in support of H.R. 8186, a bill providing a series of perfecting amendments to the Reserve Officer Personnel Act of 1954, and urge its unanimous approval by this body.

Legislative action is necessary to assure equality of promotion opportunity among Reserve officers of the respective Armed Forces so as to permit the maintenance of a vigorous and capable officer corps in the Reserve forces. The original statute providing a detailed system of Reserve officer promotion was enacted into law in 1954, as the Reserve Officer Personnel Act. Prior to that time, the promotion, distribution, and elimination of Reserve officers had been controlled by secretarial regulations within each of the military departments. Consequently, it was recognized at the time of the original enactment of the Reserve Officer Personnel Act that a period of operation and administration would in all probability disclose areas which should be clarified and strengthened in the original act. The present bill, therefore, represents the recommendations on this subject by the Department of Defense and the respective armed services as modified by the Armed Services Committee.

PRINCIPAL FEATURES OF H.R. 8186

Although H.R. 8186 incorporates many changes to existing law, of a minor or technical nature, it also includes the following major substantive changes:

First. It will provide increased promotion opportunity for Reserve officers of the Army attached to units by permitting them to be considered and, if qualified, promoted at the mandatory consideration points at which all nonunit officers are presently considered for promotion. Today, under existing law, nonunit officers must be considered for promotion to the grade of captain, major, and lieutenant colonel at the 7-, 14-, and 21-year point of service and, if qualified, promoted. However, unit officers of the Army have not been afforded this promotion opportunity. Under the proposed change both unit and nonunit officers will be afforded this promotion opportunity. This will correspond to existing Air Force law.

Second. It will, in the case of the Army and Air Force, permit the waiving of strength ceiling to the extent necessary to allow the promotion of Reserve officers to fill unit vacancies and mobilization billets without regard to overall vacancies. Under existing ceiling limitations these promotions cannot be effected notwithstanding the fact that qualified officers are now assigned to these billets and are performing these duties.

Third. It will authorize the promotion of Reserve officers of the Nurse Corps or Medical Specialists Corps of the Army and Air Force to the Reserve grade of colonel, and the promotion of Reserve officers of the Women's Army Corps and women in the Air Force to the Reserve grade of lieutenant colonel, to parallel the system of promotion of Regular officers in those branches.

Fourth. It will extend the moratorium on mandatory retirement by reason of service and grade for all unit officers of the Army and Air Force until January 1, 1962, but at the same time retain the effective date of July 1, 1960, in respect to all other officers. This action will permit the retention, by reserve units, for another 18 months of experienced officer personnel who would otherwise be required to be transferred to the Retired Reserve or discharged.

Fifth. It will eliminate an inequity in existing law which would preclude certain specialists in both the Army and Navy, who had been granted constructive service prior to the enactment of ROPA, from ever becoming eligible for Reserve retirement at age 60. Under the change, the period of constructive service granted these individuals will neither significantly enhance nor penalize their opportunity for Reserve retirement.

Sixth. It will provide for the retention of unit officers of the Air Force Reserve and Air National Guard through the grade of captain, or until they complete 14 years of commissioned service, if they would otherwise be promoted out of their units by operation of the mandatory promotion system thus saving for the all-important unit program thousands of young, energetic pilots and other officers who have been trained at great expense to the Federal Government. Moreover, it extends similar protection through the grade of major to officers in the professional categories, such as physicians, dentists, veterinarians, lawyers, and chaplains. These latter positions are inherently difficult to obtain and more difficult to retain, for the individuals have spent long years in gaining and attaining their important professional standing and currently are permitted to contribute little, if anything, from their now all too brief service with the Reserve components.

Seventh. It will, in the case of the Marine Corps Reserve, authorize an increase in the number of general officers from a present total of 5 to a new total of 10. Thus, this change will bring the Marine Corps proportionately closer to the other service departments in the authorized number of general officers.

Eighth. It will, in the case of the Navy, authorize selection boards to dip below the zone to permit the selection of outstanding Reserve officers, in the grade of commander and captain, for promotion to the next senior grade. This change will then parallel similar authority already provided selection boards convened to select Regular officers for promotion.

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

The CHAIRMAN. The Chair will count. [After counting.] Sixty-six Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 116]

Albert	Flynn	Moeller
Alford	Ford	Montoya
Ashley	Forrester	Moore
Auchincloss	Fountain	Moorhead
Baker	Frelinghuysen	Morgan
Barry	Gallagher	Moss
Bass, N.H.	Giaimo	Moulder
Baumhart	Goodell	Multer
Blitch	Green, Oreg.	Nix
Boggs	Healey	Ostertag
Bow	Hoffman, Ill.	Powell
Bowles	Holt	Quigley
Brademas	Hull	Rabaut
Brewster	Irwin	Riehlman
Brock	Jackson	Roosevelt
Brown, Ohio	Jarman	Santangelo
Buckley	Johnson, Colo.	Scott
Canfield	Jonas	Taylor
Celler	Kasem	Teller
Chelf	Keith	Thompson, N.J.
Curtis, Mass	Kilburn	Toll
Daniels	Lindsay	Tollefson
Davis, Tenn.	McCormack	Tuck
Diggs	McDowell	Ullman
Dingell	Marshall	Watts
Dooley	Merrow	Wharton
Dorn, N.Y.	Michel	Whitten
Dulski	Minshall	Willis
Farbstein	Mitchell	Zelenko

Accordingly the Committee rose; and the Speaker pro tempore [Mr. PRICE] having assumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill H.R. 8186, and finding itself without a quorum, he had directed the roll to be called, when 344 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from South Carolina [Mr. RIVERS] has the floor.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentlelady from Illinois.

Mrs. CHURCH. Mr. Chairman, I should like to say to the gentleman that my only purpose in calling for a quorum was that I sat here on the floor of the House and realized, as I have before, that the measure the gentleman was discussing, was one of major significance, one that should have full attention; and I felt that the measure, as well as the distinguished gentleman, merited a quorum.

Mr. RIVERS of South Carolina. I am complimented, and I thank the gentlelady very much.

Mr. Chairman, it will, in the case of the Coast Guard, modify the percentage grade distribution of Reserve officers in the grades of lieutenant commander and commander to generally parallel the percentage distribution presently in effect in the Navy. It would also permit the Coast Guard to assure an orderly flow of promotion opportunity by permitting attrition, through board action.

In addition to the foregoing major changes, the bill also provides for numerous minor substantive changes and a number of technical and conforming changes.

DEPARTMENTAL RECOMMENDATIONS

The Department of Defense recommended an omnibus revision of the Reserve Officer Personnel Act of 1954 and the Bureau of the Budget interposed no objection. The proposals for the Department of Defense were introduced as H.R. 7325 and were referred to the House Armed Services Committee for action. In addition to the departmental proposal, a similar proposal was introduced on behalf of the National Guard Association as H.R. 5083. Both of these bills were referred to the House Armed Services Committee and formed the basis upon which the committee had taken action and reported out the present clean bill, H.R. 8186.

COST

In conclusion I wish to point out that notwithstanding the changes that are recommended by the Armed Services Committee to the Reserve Officer Personnel Act of 1954, the cost of administering the various Reserve programs will, for practical purposes, not be affected by these changes. In other words, this legislation does not involve any substantial costs. It is conceivable that some minor increase in Reserve retirement costs might result from the increased promotion opportunity afforded certain Reserve officers. However, on the other hand, much of this increased cost will probably be offset by savings realized from simplified administrative procedures resulting from a number of proposed changes contained in this legislation and from the retention with drilling units of young but experienced pilots of the Air Force Reserve and Air National Guard.

This legislation is, unfortunately, long overdue. It is essential to the continued healthy development of a vigorous and capable Reserve force. I therefore urge that this body reflect its support of our Reserve forces by unanimously approving passage of H.R. 8186.

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

Mr. RIVERS of South Carolina. I yield.

Mr. BAILEY. Will the gentleman go into greater detail with reference to the category of Reserve officers who might be medical officers or dental officers?

Mr. RIVERS of South Carolina. I will be glad to do so. The purpose of the provision I have just cited is to authorize the retention by Reserve units of professional men and certain specialists despite the fact that these officers may have, subsequent to their association with the drilling unit, been promoted to a grade above that authorized for the unit.

Mr. BAILEY. Will the new legislation interfere with the retirement rights of present Reserve officers and deprive them of their retirement rights?

Mr. RIVERS of South Carolina. No, this legislation will enhance their retirement opportunity. Under the present law many Reserve officers, through no fault of their own, would not be permitted an opportunity to qualify for Reserve retirement. This bill cures that defect.

Mr. BAILEY. I thank the gentleman from South Carolina.

Mr. RIVERS of South Carolina. I thank the gentleman very much.

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

Mr. RIVERS of South Carolina. I am delighted to yield to my colleague from Florida.

Mr. MATTHEWS. Mr. Chairman, I want to associate myself with the views of the gentleman from South Carolina. I know my colleagues share with me my confidence in this great Committee on Armed Services. When they bring us a bill, and a technical bill such as the one so ably and adequately explained by the gentleman from South Carolina, we are prone to accept their recommendations. There is one question specifically I would like to ask. One of the great problems we have, of course, with our Reserve units is a proper program of training. So many times our Reserve officers find it difficult to get promotions because the training program does not have the resiliency in it, perhaps, that it should have. Is the gentleman's committee constantly checking the program for the Reserve units? I know you are, but would the gentleman be good enough to make a statement on that point at this time.

Mr. RIVERS of South Carolina. The committee is constantly doing that. I imagine what my colleague has in mind is the adequacy of the training unit facilities. Sometimes the Air Force is bound by budgetary considerations or by a ceiling on the components or, perhaps, the Reserve or the National Guard or whatever the unit might be. Or it may be cadres of units. But, we are constantly checking that so that we can make these things available in all sections of the country and to all people.

Mr. MATTHEWS. I thank the gentleman very much.

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

Mr. RIVERS of South Carolina. I yield.

Mr. HEMPHILL. I thank my distinguished colleague for the hard work and diligence that he has put into this legislation. I am disqualified from voting for or against the bill because of my Reserve status. I do want to say it is a great thing for all Reserve officers, and we appreciate very much what you are trying to do for this country.

I also congratulate the entire Armed Services Committee on the incentive study given to this legislation. Legislative action in this field has long been necessary as an incentive to the Reserve officers, many of whom attend Reserve meetings and give allegiance to their units under very trying conditions.

In most unit meetings, the Reserve officers have to attend in uniform. They do not have a uniform allowance sufficient to cover the costs, and they do not have travel allowance. They accept the difficulties because of the patriotism the Reserve officers have always presented. They need any incentive we can legislate. I am proud to be a Reserve officer, and I am delighted that my distinguished South Carolina colleague is presenting this legislation today.

The increased promotion opportunity afforded will be greatly appreciated by our reservists. They appreciate also the mandatory promotion provision and the extension of the moratorium on mandatory retirement.

I am glad that it covers all of the services. I am also grateful that this legislation takes into consideration the Air Force Reserve and the National Guard technician program. If we were to have a war, we know we could depend on the Reserves, but a reservist must have training if he is to be of value. This bill provides incentive to the reservists to get the training.

Often, because they were unit officers, Army Reserve officers did not have the same privilege of mandatory consideration points in their career. This bill would give them that opportunity.

In the Air Force as well as the Army, strength ceilings have caused much misgiving in the Reserve units. The provision in this bill will enable the Reserve commanding officers not only to fill vacancies, but to give some promotions long overdue.

The moratorium on mandatory retirement will be welcome throughout the Army and Air Force. It will, in the long run, save money, because of the fact that the men to whom the moratorium is extended will be delighted, patriotic Americans, trained, ready to serve and able to serve.

The provision for retention of the unit officers of the Air Force and National Guard, through company grade until they have completed 14 years of commissioned service, is a great thing for the airmen.

Because of my association with that field of the service, I am particularly gratified at that provision.

The promotion to the grade of major of the officers in the professional category will personally affect me. For this reason, I cannot vote on this legislation because I believe I should disqualify myself and I cannot vote. I have had some association with the fine lawyers of the Air Force, and I think it would be a shame to turn them out after utilizing their talents and building up their experience to an extent that they are very valuable in their professional capacity.

All in all, this is a good bill, and I hope the Senate will give it early passage.

Mr. RIVERS of South Carolina. I thank my colleague, the gentleman from South Carolina, very much.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of H.R. 8186, a bill which will modernize and improve the Reserve Officer Personnel Act of 1954.

My distinguished colleague on the other side of the aisle has done a masterful job of explaining to you the major provisions of the bill being considered by us today. Therefore, I will not trespass on your time by attempting to repeat or duplicate this abundantly clear presentation. However, since I had played

some small part in the drafting of the original act, the Reserve Officer Personnel Act of 1954, I feel that I should refresh your recollection on the circumstances which prompted the enactment of the original legislation on this subject.

Prior to 1942, there were but two statutes relating to the promotion of Reserve officers. In the case of the Army the provision of law was contained in section 37 of the National Defense Act of 1916 and provided simply, and I quote:

> Promotions in all grades of officers * * * shall be made under such regulations as may be presented by the Secretary and shall be based * * * on recommendations made in the established chain of command.

In the case of the Navy, sections 305 and 306 of the Naval Reserve Act of 1938 provided that Reserve officers may be distributed in the various grades not above lieutenant commander except that, and I quote, "a small percentage" may be commissioned as rear admiral, captain, or commander.

Thus, simply stated, there were for practical purposes no statutory provisions for the promotion of Reserve officers which would insure the development and continuation of a satisfactory system of promotion for Reserve officers. Reserve officer promotions, therefore, were entirely a matter of secretarial discretion. As a consequence of this condition the many thousands of Reserve officers who had served most capably during World War II were not afforded any genuine promotion opportunity and therefore necessarily lost interest in the Reserve program.

Inasmuch as the Congress was acutely aware of the necessity of maintaining a strong Reserve force in our Defense Establishment the Congress, in accordance with the recommendation of the Armed Services Committee, enacted the Armed Forces Reserve Act of 1952. As you know, this act defined the mission and general organization of the Reserve components of our Armed Forces. It was our intention at that time to include within its provisions detailed statutes regarding the promotion of Reserve officers. However, because of the pressure of time this was found to be impossible. Instead, there was enacted in section 216(a) of that act a general statement of policy in regard to the promotion of Reserve officers, and I quote in part:

> The appropriate secretary shall establish an adequate and equitable system for promotion of members of the Reserve components in an active status. Such promotion system shall, insofar as practicable be similar to that provided for members of the Reserve components of the appropriate Armed Forces of the United States.

In reporting out the bill, H.R. 5426, which was later enacted as the Armed Forces Reserve Act of 1952, the Armed Services Committee enjoined the Department of Defense to submit a Reserve promotion bill as soon as practicable. As a result of this requirement of the armed services, the Department of Defense submitted a legislative proposal which, after extensive hearings before our committee was reported out on July 29, 1953. This legislation subsequently passed the other body and was enacted into law as the Reserve Officer Personnel Act of 1954. Under the terms of the act the bulk of its provisions were made effective on July 1, 1955.

The Reserve Officer Personnel Act, popularly known as ROPA, has stated in its preamble that it is an act "to provide for the promotion precedence, constructive credit, distribution, retention, and elimination of officers of the Reserve components of the Armed Forces of the United States."

This act, therefore, established a detailed statutory basis which would insure the promotion, precedence and elimination of Reserve officers in the most equitable manner possible. However, it was recognized that since the Congress was acting in an area which had heretofore not been covered by statute, it was conceivable that actual administration of this body of law would reveal certain deficiencies and shortcomings. Consequently, at the time of passage of the act the Armed Services Committee directed the Department of Defense to study the provisions of this act after its implementation and then to report back to the Congress such changes which it deemed necessary to achieve the basic purpose for which it was designed.

The bill before you today embodies for practical purposes the major portion of those changes to the Reserve Officer Personnel Act recommended by the respective service departments and represents the first major substantive change to the act since its enactment.

Our efforts, therefore, to amend ROPA are not based on our dissatisfaction with its concept or principal but rather, on our desire to refine it by eliminating any shortcomings in the act as originally conceived by the Congress and thus more nearly accomplish the purpose for which it was created.

Many of the problems created by existing provisions in ROPA could not possibly be foreseen by its authors. For example, a number of the amendments contained in this bill are designed to enhance the promotion opportunity of our Reserve nurses and medical specialists in the Army and Air Force. These changes are necessary to ROPA to permit these Reserve nurses and medical specialists the increased promotion opportunity that has been afforded their regular counterparts by legislation enacted subsequent to the original enactment of ROPA.

I have made these observations to provide you with the background which influenced our committee in approaching its study of these many changes to the Reserve Officer Personnel Act. Our committee found that certain provisions of existing law were causing the loss of large numbers of fine officers in drilling units. Our committee also found that in some instances certain officers were being promoted prematurely causing distortion in grade distribution of officers. These conditions will be rectified by the changes recommended by this committee.

As a working member of the group which developed these changes I know the tremendous amount of work that has gone into the bill being considered by us today. Therefore, I wish to compliment my distinguished colleague from South Carolina, Mr. MENDEL RIVERS, who, as chairman of the subcommittee which conducted hearings on this bill, exercised great care and patience in developing information from all the military services and the various organizations representing Reserve personnel to first determine the necessity for corrective action and then to develop the specific language necessary to correct this condition. This bill is the result of the most careful investigation and considered judgment by the Armed Services Committee, and I therefore urge its unanimous passage by this body.

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

Mr. VAN ZANDT. I yield.

Mr. GROSS. I understand this bill will not call for any substantial appropriations; is that correct?

Mr. VAN ZANDT. That is correct. On page 13 of the report that accompanies this bill you will find the following statement:

> COST
>
> Notwithstanding the changes that are recommended by the Armed Services Committee to the Reserve Officer Personnel Act of 1954, the cost of administering the various Reserve programs will, for practical purposes, not be affected by these changes.

In other words, this legislation does not involve any substantial cost.

Mr. GROSS. It can be done out of present administrative costs?

Mr. VAN ZANDT. It can; as a matter of fact it may develop that the bill if enacted into law will save rather than cost money.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am delighted, I will say to the gentleman from Pennsylvania, that this bill has been reported by the committee, and I express my thanks and commendation to the chairman of the committee, the gentleman from Georgia [Mr. VINSON], to the chairman of the subcommittee, the gentleman from South Carolina [Mr. RIVERS], and to the ranking minority member, the gentleman from Pennsylvania [Mr. VAN ZANDT], and all the Members for righting a wrong that was perpetrated unconsciously perhaps when the bill went through some years ago, that took away benefits to the Reserve officers who served us so well and so ably.

Mr. VAN ZANDT. In reply to the gentlewoman from Massachusetts, it is well to recall that in 1953 there was a great clamor on the part of Members of Congress to write into law some protection for the Reserve officers of this country. The House Armed Services Committee, assuming their responsibility, through a subcommittee, wrote what is today known as ROPA, which has been the law for the past 5 years. In these past 5 years we have gained a lot of experience, and that experience revealed

inequities. The bill we offer to the House today is designed to eliminate these inequities, in other words, make a better law out of ROPA, as we call it.

Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I should like to make a few remarks in support of H.R. 8186, the pending legislation now before this House.

First, I believe that the chairman of the subcommittee, the Honorable L. MENDEL RIVERS, of South Carolina, is to be highly commended for the excellent bill which has been developed under his most capable leadership. The Reserve Officer Personnel Act is not easily read or understandable. It is a highly complex law wherein almost every provision is interrelated to every other provision. Few, if any, of its many clauses can be logically considered out of context with the whole. Accordingly, the omnibus amendment bill is a highly complex document, and its development is a tribute to the preservation and objectiveness of the subcommittee and its chairman.

Mr. Chairman, there is a demonstrated need for these amendments to the Reserve Officer Personnel Act of 1954. At the time of enactment of the basic statute, it was recognized that we were legislating in a field that previous to that time had been controlled by secretarial regulations within the military departments. We were aware that a period of operation would, in all probability, disclose areas which should be clarified and strengthened in the original act. The Department of Defense and the military departments have expended considerable time and effort in coordination and cooperation with the National Guard Association and the Reserve Officers Association, in studying the operations and results obtained under the Reserve Officer Personnel Act, with a view to its correction and improvement. H.R. 8186, the bill now before us, represents the sum total of those efforts as objectively considered and modified, where necessary, by the House Armed Services Committee.

I should like to direct my remarks to the impact of these proposed amendments on the National Guard, both Army and Air.

The bill will provide better protection to the Federal property issued to the States, for use by the National Guard, by increasing the stature and career of the U.S. property and finance officers responsible for this property. These are National Guard officers recommended for their important positions by the Governor of each State, and to whom both the State and the Federal Government must look for proper operation and maintenance of the vast amounts of Federal arms material and supplies which are furnished to the National Guard, in order that it may in fact continue to be a firstline defense force of this Nation.

The bill will provide equality of promotion opportunity between officers of Army National Guard units and the Army Reserve units at specified phase points in their careers similar to that now provided for officers of the Regular Army. At the same time, it preserves to the States those rights and prerogatives guaranteed in the Constitution of the United States concerning the appointment of officers. Moreover, it authorizes a brief period of delay to the individual officers selected for promotion, which will preclude the wholesale removal of Army National Guard officers from their units and provide the States with ample opportunity to train replacements. These provisions provide a fine balance between desirable promotion features on the one hand and desirable vitalization procedures on the other.

For the Air National Guard, the bill removes the so-called pusher clause from the current law, by virtue of which thousands of officers were considered for promotion and, if selected, promoted out of their units prior to the normal phase points in their service careers.

It provides for the retention of officers in Air National Guard units through the grade of captain, thus saving for the all-important unit program thousands of young, energetic pilots and other officers who have been trained at great expense to the Federal Government. Moreover, it extends similar protection through the grade of major to officers in the professional categories, such as physicians, dentists, veterinarians, lawyers, and chaplains. These latter positions are inherently difficult to obtain and more difficult to retain, for the individuals have spent long years in gaining and attaining their important professional standing and currently are permitted to contribute little, if anything, from their now all too brief service with the Reserve components.

Lastly, it provides increased incentive for young officers to enter the Army National Guard and Air National Guard units, and Army Reserve and Air Force Reserve units, by permitting them increased promotion opportunities within the unit structure whenever unit vacancies occur—a situation which does not now exist, and which currently precludes the promotion of many outstanding unit officers who are, and have been, performing in higher grade vacancies, and who have assumed the increased responsibilities thereof.

Mr. Chairman, this bill has the support of the National Guard Association and the Reserve Officers Association. It is required legislation and I sincerely urge every Member of this House to support its enactment.

Mr. VAN ZANDT. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, I would like to address myself at this time specifically to that part of the proposed legislation which concerns itself with the Coast Guard Reserve. During the hearings conducted by our committee, it became evident that certain sections in the Coast Guard title of ROPA were in need of amendment or revision. In 1954 when ROPA was enacted Congress authorized 6,000 commissioned officers in the Coast Guard Reserve and specified that grade percentages in the various grades would be applied to the on-board number of officers rather than the authorized number. The legislation before this House proposes that both the Navy and Marine Corps, and the Coast Guard, apply the grade percentages to the authorized number rather than to the on-board number. Those familiar with the Reserve Officer Personnel Act of 1954 will recall that Army and Air Force grade percentages were and are presently applied to their authorized number. This proposal would make the application of grade percentages to the authorized number uniform throughout the Armed Forces. The Coast Guard believes at the time of the original enactment of ROPA that the authorized grade percentage in the grade of commander should be 3½ percent. This was based on an estimate of what the eventual requirement in that grade would be. Experience since that time has shown that this percentage is not adequate to provide for a vital and normal flow of promotions to the grade of commander. The bill proposes to increase the grade percentage in the grade of commander from 3½ to 6 percent and to decrease the grade percentage in the grade of lieutenant commander by the same amount. The 6 percent in the grade of commander compares with the present and originally authorized Navy percentage in the grade of commander of 7 percent.

The second change contained in the proposed legislation concerns itself with constructive service credit. This amendment is largely technical in nature and it is proposed to apply equally to Reserve officers in all of the Armed Forces.

The third change proposes to establish by a new section in the Coast Guard title an additional attrition feature which was not in the Coast Guard section of the original enactment but was in the section of all the other Armed Forces. It provides a means by which the appropriate Secretary may remove from an active status commissioned officers in any grade when they have completed certain specified periods of service. The use of this feature of the proposed law is limited to those instances where an excessive number of officers in any grade stops or prevents the normal flow of promotions to that grade.

The legislation proposed herewith as it concerns the Coast Guard is neither novel nor controversial and if such amendments are enacted into law they merely bring the Coast Guard into practical consonance with the Navy and other branches of the Armed Forces.

This legislation has the unqualified support of the Reserve Officers Association and of a special study group of Coast Guard officers, both Regular and Reserve. I would like to depart for a moment from my usual role as a Member of this Congress and speak in my other capacity as an officer of the Coast Guard Reserve for the purpose of assuring you that this legislation is sorely needed to maintain a ready and qualified corps of Reserve officers so vital to mobilization purposes. I urgently solicit your support of H.R. 8186.

Mr. RIVERS. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. ANDERSON.]

Mr. ANDERSON of Montana. Mr. Chairman, the Reserve Officer Personnel Act of 1954 was regarded as a bill of rights for Reserve officers to cover, as a matter of law, many matters which had previously been left to the writers of regulations and instructions in the Pentagon. Any attempt to write into law a matter as detailed and as complex as the personnel matters of our Reserve officers is a gigantic task. It has become evident that in order to make the Reserve Officers Personnel Act most effective, certain changes were necessary in order to assure fairness and to eliminate inequities which otherwise might overtake many of our most effective officers in the Army, Marine, Air Force, Coast Guard, and Navy Reserves, and in the National Guard.

The amendment now before the House is one which undertakes simply to make more fair and effective the provisions of the basic law of the Reserve Officers Personnel Act of 1954.

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

Mr. ANDERSON of Montana. I yield to the gentleman from Ohio.

Mr. VANIK. In an earlier discussion which did not include the present speaker, I heard some reference to the fact that this would accelerate somewhat the retirement of some Reserve officers. Can the gentleman tell me how that would be brought about?

Mr. ANDERSON of Montana. There is no provision for acceleration of retirement. There are a number of cases in which forced attrition of the Reserve officer would have worked an injustice, and this legislation undertakes to give these officers additional consideration. I hope my colleagues will give this bill unanimous support.

Mr. RIVERS. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. WAMPLER].

Mr. WAMPLER. Mr. Chairman, I rise to give my wholehearted support to the bill H.R. 8186 which is legislation to correct certain inequities that have already been outlined. It also would facilitate the administration of the Reserve program and will create uniformity among the services.

Mr. Chairman, I welcome the opportunity to speak in support of H.R. 8186 which is a bill designed to amend the Reserve Officer Personnel Act. At this time it is most fitting to recognize and commend the fine leadership displayed by the chairman of the Armed Services Subcommittee, my distinguished colleague from South Carolina [Mr. MENDELL RIVERS], before whose subcommittee the hearings on this bill were conducted.

I should like to extend my remarks on this bill particularly to the viewpoint of the Navy and Marine Corps.

Those portions of this bill which pertain to the Navy and Marine Corps are fewer in number and of considerably less moment than those which affect the other services primarily because the Reserve Officer Personnel Act already permits the Navy and Marine Corps to manage Reserve officers by methods almost identical to those which are established by the laws controlling Regular officers. The personnel laws affecting the naval service instituted a single promotion system for all categories of officers, in contrast with the multiple systems of the Army and Air Force. With this single system, Reserve officers are considered for promotion, and promoted if selected as best fitted, upon completion of the same period of service as active duty officers, through the operation of the running mate principle. If they fail to be promoted they are also separated from active status under the same rules which apply to Regular officers.

For this reason very little additional legislation was needed within the Navy and Marine Corps to standardize the rules for promotion and separation of Regulars and Reserves. Those few provisions of this bill which are applicable to the naval service are in large part designed to achieve uniformity among all services rather than within a single service. Such provisions include a shift of the Reserve officer grade distribution from percentages of the actual Reserve officer strength to percentages of the statutorily authorized strength; authority to bring officers onto active duty in a lower rank if done for the purpose of attending a civilian school; authority to grant officers constructive service credit when shifting from the line to specialist categories which entail advanced education; and authority to delay up to 1 year the promotion of officers who are under investigation.

Among the provisions included to correct deficiencies in present law is one which would place a time limit of 1 year during which an officer must establish his professional qualifications for promotion after selection by a selection board if he is to be entitled to pay and allowances from the date of the vacancy which permitted his promotion. This is to prevent the undue amount of accounting which is necessary when such an officer delays longer than a year in achieving the required promotion credits.

There were also included two provisions which modify that part of existing law which requires the separation from active status of lieutenant commanders of the Navy who are twice passed over for promotion to commander after 20 years of commissioned service. The first of these provides against the contingency of a shortage of officers in the Ready Reserve by authorizing the retention of such officers up to 5 additional years, in any individual case, whenever such action is necessary to maintain the Ready Reserve at its required strength. The second corrects an existing inequity which now prevents such officers who have been granted constructive service credit, such as physicians, dentists, and chaplains, from qualifying for Reserve retirement. The committee has included a provision which would permit the retention of such lieutenant commanders past their normal separation point in order to permit them to qualify for retired pay at age 60 and thus place them on an equal basis with all other officers.

There is also included in this bill a provision to correct one of the few cases where there are differences in the law between Regular and Reserve promotions in the Navy and Marine Corps. When selection boards are considering active duty officers for promotion they are authorized by the law to reach down below the promotion zone and select outstanding officers for accelerated promotion to the extent of a maximum of 5 per cent of the total selected. There is no such provision for Reserve officers who are not on active duty. The committee considered that this situation is entirely inequitable. The committee felt that there are many advantages in bringing forward at an accelerated pace certain outstanding individuals in the Reserve. Accordingly, the committee has incorporated in this bill a clause to correct this inequity between the Reserve and Regular promotions and to provide for these accelerated promotions.

The present law limits the number of Marine Corps Reserve general officers to five. The committee believed that this number does not meet mobilization needs nor does it afford Marine Corps Reserve officers promotion opportunities comparable with those enjoyed by Reserve officers of the other services. There is included in this bill, therefore, a provision which will increase the authorization from 5 to 10.

These, then, are the few items of the bill now under consideration which apply to the Navy and Marine Corps. They are designed to correct a few inequities, to facilitate the administration of the Reserve programs and to seek uniformity among the services. I think we should emphasize that these are not far-reaching changes when the entire reserve promotion system is considered, that in general the law as it applies to the Navy and Marine Corps has worked exceedingly well and has permitted both these services to develop outstanding Reserve components.

H.R. 8186 is necessary to bring our Reserve Officer Personnel Act up to date and to correct the deficiencies which have developed in the administration of this law. I urge my colleagues to support this bill.

Mr. RIVERS. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I desire to add my support to H.R. 8186, which expands, corrects, and modernizes the Reserve Officer Personnel Act. This act is a good act and is sound law. It has given the services a firm base on which to plan our Reserve officer personnel program. Likewise, it has given the individual Reserve officer a firm base upon which he can plan his career as a reservist. We all agree that the reservist, as a patriotic citizen and important member of our armed services, is entitled to such a system and that it should provide for the greatest degree of equity among all active reservists and between the Reserve and Regular officer.

In developing the basis for a personnel system, which ROPA is designed

to do, we must bear in mind the purpose for which the Reserve Forces are created. This purpose was ably stated in section 201 of the Armed Forces Reserve Act of 1952. May I take the liberty of quoting from that passage:

> The Congress hereby declares that the Reserve components of the Armed Forces of the United States are maintained for the purpose of providing trained units and qualified individuals to be available for active duty * * * in time of war or national emergency.

It is in this light that we approached the task of developing the necessary amendments to the Reserve Officer Personnel Act. Our efforts to amend ROPA, then are not based on our dissatisfaction with its concept or principles, but rather, to refine it and bring it up to date. It is true, also, that the services did run into certain problems that were not foreseen at the time ROPA was originally enacted. For example, a number of the amendments contained in this bill are designed to enhance the careers of our Reserve nurses and medical specialists. These amendments are in line with the recent changes to the laws affecting their Regular counterparts.

Another important group of amendments is designed to overcome a problem the Army has encountered in the lack of attrition and promotion opportunity in units of the Army Reserve and National Guard.

The Navy Department has found need for adjustment in the method of determining its grade authorizations. Amendments to this end will be found in the bill.

The Air Force has been faced with two major problems. First, because of the workings of other provisions of ROPA, they have been unable to make unit promotions to fill vacancies in the grades of major and lieutenant colonel in our Ready Reserve, including the Air National Guard. This has been a source of dissatisfaction on the part of our most active reservists. Second, through a technicality, they have been forced to consider for promotion many thousands of officers at an earlier point in their career than was originally contemplated. In addition to throwing our Reserve structure out of line, it has caused the loss of a number of fine officers in ready units. Solutions to these problems, and certain administrative problems encountered by the services, are contained in the proposed amendments.

Mr. Chairman, I know that a tremendous amount of work has gone into the preparation of the amendments which are contained in this bill now under consideration. My distinguished colleague from South Carolina, Mr. MENDEL RIVERS, who is chairman of the subcommittee which conducted the hearings on this bill, exercised great care and patience in extracting information from all the military services and organizations representing Reserve personnel to, first, determine the necessity of corrective action and then, if required, to develop the specific corrective legislation. This bill is the result of careful investigation and considered judgment. I urge the passage of this much-needed bill.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, as a member of the subcommittee which spent many days on this bill, I feel it is very important legislation, that it is a good bill. I know of no opposition to it, and I hope it will receive the unanimous endorsement of the House.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, I wish to join those who have already made statements in regard to the pending bill H.R. 8186. I fully concur in those statements and support this legislation wholeheartedly.

I wish to especially compliment the able and distinguished chairman of our Subcommittee No. 3, the gentleman from South Carolina [Mr. RIVERS], and also the members of our subcommittee, including those of the minority party who are members of that committee, on their working out and presenting this comprehensive bill. We have had complete harmony in these hearings. We have gone over the matter very, very carefully. We have heard everyone who wanted to make a statement in regard to it, and I believe that this is the best bill on this subject matter than can be written at this time.

Mr. Chairman, it has been a great pleasure for me personally to sit in on the hearings and to listen to those who have greater wisdom than I, and have had more experience in this field. I learned a lot and had a small part in the proceedings. And, I do believe that this legislation will go a long way toward improving our Reserves in this country and toward helping our whole country in every way.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield the remainder of my time to the gentleman from Georgia [Mr. LANDRUM].

Mr. VAN ZANDT. Mr. Chairman, I too yield the remainder of my time to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, together with the gentleman from Michigan [Mr. GRIFFIN], I have today introduced a nonpartisan bill, dealing with the tremendously vital issue of labor-management reform legislation. We did so only after the most thorough consideration, and in light of what we feel to be absolutely necessary in this field, if free and democratic processes in the industrial relations of our great Nation are to survive.

The Joint Subcommittee on Labor-Management Reform Legislation, of which I had the honor to be cochairman, took extensive testimony in this general area, hearing in all some 98 witnesses, over a 3-month period. Competent persons from all segments of American industrial life were heard—some, several times. Only two argued that reform legislation was unwarranted and unnecessary. I had hoped, therefore, that the Committee on Education and Labor, after its executive sessions, would present to the House a bill which would strike at the roots of the acute problems which were revealed—not only in the testimony given before the joint subcommittee, but also by the dramatic revelations of the select committee in the other body. In my judgment, however, the bill which the House committee reported last Thursday, July 23, fails in several important respects to effectively come to grips with many pertinent matters. Briefly I would like to discuss some of these problems.

Turning to the first title of both the committee bill, and the bill which Mr. GRIFFIN and I have introduced today, "Rights of Members of Labor Organizations," even a cursory reading of the two illustrates the important differences. The committee bill would require that union members "exhaust reasonable remedies" within a 6-month period, which are available under the union's constitution and bylaws. Only then can the member subsequently institute a civil action for relief from infringement of his rights. It is also to be noted that the member would only be entitled to a civil court injunction against further violation. The bill we propose as a substitute would permit a member to seek immediate redress of his basic rights in the courts after 4 months without the further delaying and dilatory route of exhausting union procedures. Our bill would also provide effective criminal penalties against those persons willfully violating such members' rights by force or violence.

That effective and timely relief is needed is shown by a review of certain testimony presented by union members. In one instance, the wife of a union member was called on the telephone, told that her husband was being held, and that he was going to be "cut up" and thrown on the front lawn. Incidentally, the local union, of which this employee was a member, was kept in trusteeship for 10 years, during which $200,000 disappeared from the treasury. In another case, a member was brought up on charges of conduct unbecoming a member, jurors "doubled" for the prosecution, he was denied a lawyer of his own choosing, and the sentence was that he pay a $250 fine, not work in the State for 2 years, and stay away from the union hall for 5 years. In the case of a Teamster local, out of 3,300 members, only 11 were declared to be eligible to run for union office.

I would call to the Members' attention that the interim report of the McClellan committee found that there has been a significant lack of democratic processes in certain unions, that one-man dictatorships have thrived—in some instances for 20 to 30 years—and that through intimidation and fear, the rank-and-file union member has been deprived of a voice in his own union affairs. In this regard, one of the most significant provisions in title I of the committee bill is that which empowers the union, regardless of the general rights specified, to require of members "loyal observance by every member, of his responsibility toward the labor organization as an institution and toward the

labor movement as a whole." Under this, could not the union in Kansas City, which expelled 19 members who resorted to legal action against rigged elections, have done so on the basis of disloyalty. Or what about the union which tried and convicted a member in 1957 for statements made in 1953, 4 years earlier. Could he not also have been disciplined or expelled for disregarding his obligations toward the labor movement as a whole?

I am inclined to agree with Mr. Meany when he said before the Senate committee:

> Before the Senate hearings we did not know one one-hundredth of corruption existing in the labor movement.

One of the basic underlying principles of both the Wagner Act of 1935 and the Taft-Hartley Act of 1947 has been the rights of employees—under the first to be free from employer domination, under the second to be free from union domination. That further legislation, however, dealing with union democracy is needed in 1959 cannot be challenged. As one union official put it in his testimony:

> We believe that the control of the union by its membership is the best way to insure its democracy and keep the officers in line—I believe that the best demonstration of democracy in action is where the people directly handle their own union business.

This the substitute bill seeks to accomplish, by insuring effective membership control.

The committee bill also purports to contain reporting provisions, under which the goldfish bowl approach would enable union members to see for themselves wrongdoing and take effective and corrective action. In actuality, however, it contains an outright exemption for approximately 70 percent of the unions of the country—by exempting those with less than 200 members or gross annual receipts of less than $20,000. Many of the notorious racketeering situations, therefore, such as the Johnny Dio locals would be left untouched, and unhindered. Under the bill we propose, all unions of whatever size would be required to report pertinent financial data, informing the membership of possible conflicts of interest, and other shady deals; while at the same time authorizing the Secretary of Labor to prescribe simplified forms of reporting, if full reporting would be unduly burdensome.

The McClellan committee in this general area found, first, that union financial safeguards have been almost totally lacking; second, destruction of financial records rampant; and third, that misuse of union funds has totaled some $10 million, as of March 24, 1958.

As important as the foregoing problems are, however, I must say in all candor that, in my judgment, two of the most crucial issues confronting the Congress in this labor-management field, are the matters of secondary boycotts, and organizational and recognitional picketing. A blackmail organizational picket line is one wherein a union places a picket or pickets—varying from one to an infinite number—in front of a business establishment, to force the employees of the establishment to join the union. Often there is little or no employee support; or in many instances the employees have said "No" specifically to the union organizers.

What does such a "line" mean to an employee in Missouri or to a small businessman in Los Angeles? The testimony before the joint subcommittee, in a grotesque way, pictured what is meant. In Brownsville, Mo., a bakery was forced out of business after months of such blackmail organizational picketing, although the employees had refused to join. In Peoria, Ill., an employer went broke after 6 months of such daily activity; and a restaurant in that city was picketed for 10 months, although during that entire period no employees were contacted by the union.

In Los Angeles a half dozen apple processors and packing plants were picketed from 8 to 10 months. A restaurant in San Francisco was picketed continuously for 925 days, or more than 2½ years. An automobile dealer in Galesburg, Mo., underwent this ordeal for 3 years, during which time his showroom was shot up, and new cars received paint jobs of acid and paint removal. In this particular case, the organizer told the employer bluntly:

> We realize that we cannot organize your employees, therefore you will have to organize them for us, or we'll break you.

In all these cases, and there are hundreds more, the union puts up a picket line in order to force recognition, to compel the employees to join against their will—in one case brought to our attention a contract with another union had already been signed—and in total disregard of the processes of the National Labor Relations Board.

Yet after months of such testimony, often given at the risk of life and property, the committee bill would not deal with this problem in any way. I repeat, in no way does the committee bill solve the overwhelming problem of blackmail organizational picketing. Our proposed bill would. It would do so by prohibiting picketing when, first, another union has been lawfully recognized; second, where a valid election has been held during the preceding 12 months; third, where the picketing union cannot demonstrate that it has a sufficient showing of interest among the employees to support an NLRB petition for an election; and fourth, where picketing has been engaged in for a reasonable time—not exceeding 30 days—and no petition for an election has been filed.

Basically, the same coercive situation exists on the issue of secondary boycotts. A secondary boycott is a situation where the union, in a dispute with one employer, puts pressure upon another employer or his employees, in order to force the second employer or his employees, to stop doing business with the first employer, and "bend his knee to the union's will." Thus it is called secondary activity.

The committee bill would deal with this problem only in the very narrow way of proscribing the formal execution of "hot cargo" contracts with those employers subject to the Interstate Commerce Act, part II. There of course are thousands of employers not covered by such provisions, with whom the Teamsters, and other unions, could and surely would, execute and effectuate such agreements. By not prohibiting the others, by not naming them, the committee bill would indirectly sanction, if indeed not approve, their execution. I submit if such contracts are bad in one segment of our economy, they are undesirable in all segments.

The reported bill therefore would not touch many of the situations presented to the joint subcommittee. What about the trucking firm in Michigan which had sugar and shellac dumped into its trucks, and its customers driven away, because they feared union trouble? What about the secondary boycott of a company's product in Ohio, which a Member of the other body characterized as a "brazen and coldblooded" move to destroy the business. Or the boycott activity against another trucker of such proportions that the conduct of certain Teamsters leaders were said to "make Attila the Hun appear by comparison to be a very mild mannered and benevolent individual."

What will be our answer to the manufacturer of church furniture in Indiana who had dozens of installation jobs halted at churches from Bunker Hill to Dayton, because its employees had the effrontery to vote against the union? Shall we bow to the union will, and pray only in union-built pews? What about the trucking firm in Los Angeles which was forced out of business after 2½ months of violence and boycotting; or the poultry dealer in Georgia who had customers say: "We like you; we like your poultry; we want to do business with you; but we can't go through the trouble that these unions can cause us. We have done it before, and we will not do it again." What logical difference is there between union pressure upon secondary employers, and secondary employees? The technique is the same, the result is the same—pressure upon disinterested third parties to make them bring pressure to bear upon the hapless businessman and his pawnlike employees.

I ask: Do they not deserve protection? Do they not merit some relief? What will be our answer to them; or to the trucker in Michigan who with his employees was harassed for 3 years because they voted against the Teamsters; or the small filling station operator in Illinois who, when his employees repeatedly stated that they did not wish to belong to the Teamsters, had his customers jeered?

Nor does the full remedy lie, as will be suggested later, in requiring the National Labor Relations Board to take complete jurisdiction over all cases. The Board itself has declared organizational picketing in many instances to be lawful; and would therefore be of little assistance under its interpretation of present law.

The situation in many parts of America has become so ugly and menacing that the joint subcommittee actually heard two union officials testify against picketing abuses. One stated that his organization specifically disapproved of putting a picket line around an employer—to compel the employer to sign a contract with a union that did not represent his employees. Another characterized such situations as bad and immoral.

As one witness said during his appearance:

> When the picket line appears, the ballot box disappears. Congress has to make up its mind whether it wants a picket line as a means of forcing union recognition, or whether it wants the ballot box.

In conclusion, Mr. Chairman, let me say that the bill the gentleman from Michigan and I have introduced is not an antiunion bill, it is not a union-busting bill, it is not an anticollective bargaining bill. It would not impinge in any way upon the lawful and legitimate purposes and activities of American labor unions.

It is a bill which would restore the control of union affairs to union members. It is a bill which would deal realistically with the life-and-death problems of the small businessman. It is the minimum required to stop blackmail organizational picketing, and secondary boycotts. Here, I submit, is the cancer—the lethal weapon which, in the words of Senator McCLELLAN, ultimately could turn this country "into a jungle," where "we would have to resort to the bullet and to the dynamite for the protection of our property and our loved ones."

It is with a deep sense of responsibility, and not without great deliberation, that I have introduced this bill. I believe that it merits, and hope that it will receive, the support of my fellow Americans, who believe, as I do, that progress can be achieved in our country only through decency and fair play—for the unions, the union members, and the general public.

Mr. LANDRUM. Mr. Chairman, I now yield to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, the subject of labor reform legislation is so serious and the need is so great that surely there can be no room for partisanship. It is in that spirit that I have joined with the distinguished gentleman from Georgia [Mr. LANDRUM] in sponsoring a reform bill that is truly bipartisan, or nonpartisan.

In our best judgment, as cochairman and ranking minority member, respectively, of the House Labor-Management Reform Subcommittee, our substitute represents the minimum bill that the full Committee on Education and Labor should have reported to the House.

Mr. Chairman, I plead with the Members of both parties to resist the temptation to draw the hard lines of partisanship. This fight for effective reform legislation should not be a battle between the political parties—it must be a battle for the public and for the working men and women of our country. Surely there is plenty of room in both parties for the champions of this great cause.

Our substitute introduced today is a moderate but effective reform bill. It is not punitive or extreme.

However, it may be expected that some will work to defeat this substitute with labels rather than logic.

The Members of the House and the press should be aware that for all practical purposes our substitute is the committee bill, H.R. 8342 with a few very important changes which can be summarized as follows:

First. Title I of the substitute, the bill of rights for union members, is essentially the bill of rights in S. 1555 as it passed the Senate. Those who try to pin a "union-busting" label on our bill of rights will be pinning the same label on 90 Members of the other body.

Second. Titles II, III, IV, V, and VI of the substitute, dealing with reporting, trusteeships, elections, and other safeguards, are almost identical to the provisions in the committee bill except for these important differences: (a) the committee bill automatically exempts nearly 70 percent of all the labor organizations in the country from reporting. The substitute removes the exemption and requires all unions to report but provides that the Secretary may prescribe simplified forms for smaller unions; (b) the substitute restores the language of section 213 in the Senate-passed bill relating to extortionate picketing in place of the confusing revision represented by section 602 of the committee bill; (c) section 607 of the Senate-passed bill which provided criminal enforcement of rights guaranteed under the act was stricken by the House committee. The substitute—in sections 609 and 610—restores the sense of the Senate provision but makes it clear that criminal sanctions apply only when rights are denied through the use of force or violence.

Third. Title VII of the substitute bill contains a number of amendments to the Taft-Hartley Act including provisions to deal with such problems as jurisdictional no man's land, blackmail organizational picketing, hot cargo, and other loopholes in the Taft-Hartley ban against secondary boycotts. Other amendments to the Taft-Hartley Act in title VII provide: (a) for certification without election of unions in the building and construction industry where there is a prior history of collective bargaining; (b) that a representation election to oust a lawfully recognized union cannot be held during an economic strike for 1 year upon the petition of an employer or for 6 months upon the petition of another union. In general, the provisions of the substitute in this area are in line with the proposals made by the President and the minimum recommendations made by Senator McCLELLAN. The substitute does not go as far in these areas as some advocates of reform legislation have proposed.

Like the committee bill, the substitute repeals the non-Communist affidavit requirement in the Taft-Hartley Act, but makes it a criminal offense for any person to serve as an officer of a union if he is a Communist, or has been a Communist within 5 years prior to such service.

In my opinion those who seek to defeat this substitute with labels will be attacking the position of the President which has already been described throughout the country, and even in the liberal press, as fair, reasonable, and moderate.

Mr. Chairman, the issues are drawn and the question now is whether the American people control the Congress or whether it is controlled by a few labor bosses and special interest groups. I hope the American people will rally now as never before in support of those who are trying to pass effective labor reform legislation.

There follows a detailed analysis of the substitute bill being introduced today:

ANALYSIS OF THE LANDRUM-GRIFFIN REFORM BILL (H.R. 8400, H.R. 8401)

PREAMBLE

Section 1: The purpose and short title of the subtsitute are identical with the Senate and committee bills. This Senate bill referred to is S. 1555 as it passed the Senate. The committee bill is H.R. 8342.

Section 2(a): This section in the substitute is the same as the committee bill. It sets forth the findings that the Federal Government continues to be responsible for protecting employees' rights to organize, to choose their representatives, and to engage in concerted activities; that the relations between employers and labor organizations and the millions of employees they represent have a substantial impact on interstate commerce, and that assuring the free flow of commerce requires that labor organizations, employers, and their officials adhere to the highest standards of responsibility, particularly as they affect labor-management relations.

Section 2(b): In the same language as the committee bill, this sets forth the further finding in recent investigations in the labor and management fields revealing abuses that call for further legislation in the interests of employees and the public generally.

Section 2(c): In the same language as the committee bill, this declares the enactment of the act to be necessary to prevent the burdening and obstructing of commerce.

Section 3: This section contains definitions of a number of terms used in the first six titles of the bill. The text conforms exactly to the committee bill.

TITLE I—RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

Section 101 (bill of rights): Amendments adopted by the House committee all but nullified the Senate-passed version of Senator McCLELLAN's bill or rights for union members.

Except for technical and conforming amendments, the substitute restores the bill of rights in substantially the form that it passed the Senate. It makes one important change in the Senate-passed bill of rights in order to make certain that in gaining rights under this act, a union member is not inadvertently denied his rights under the National Labor Relations Act. The Senate bill requires a union member to exhaust internal union procedures over a period of 6 months, before asserting his right to institute an action in a court or before an administrative tribunal. Since the Taft-Hartley law prescribes a 6-month statute of limitations for the filing of unfair practice charges, the Senate's 6-month limitation might prevent a member's access to remedies provided under

the National Labor Relations Act. In the substitute, we have specified a 4-month limit for pursuit of internal union remedies under the bill of rights.

The bill of rights, section 101, in the substitute bill assures union members of equal rights within the union, including equal voting rights. It assures free speech on union matters. Incorporating a committee amendment, it protects against exorbitant rates or arbitrary changes in dues and fees. Subject to reasonable limitations, the section guarantees union members the right to bring suit or testify in judicial, administrative, or legislative proceedings. It protects a member from arbitrary discipline or expulsion. A related provision (sec. 401) corrects a major deficiency in the committee bill by making certain that bona fide candidates for union office shall have access to a list of names and addresses of at least those members of the union subject to a union-shop contract.

Section 102 (equitable remedy): This section is the same as the Senate-passed and enables union members whose rights have been infringed to bring a civil suit in a Federal district court for appropriate relief.

Section 103 (retention of existing rights): This is a saving clause which preserved rights and remedies now existing under State or Federal law. Except for conforming amendments, it is identical to the Senate-passed bill and the committee bill.

Provisions for criminal sanctions where rights are denied through force or violence, are set forth in section 610 of the substitute.

TITLE II—REPORTING

Section 201 (a) (union reports): Same as the committee bill. This section provides that each labor organization shall file with the Secretary its constitution and bylaws and a report of certain information, much of which unions must file now if they wish to use the procedures of the National Labor Relations Act to become certified as representatives of employees or to correct alleged unfair labor practices of employers.

The information section 201(a) would require of each labor union would be (1) its name and address, (2) names and titles of its principal officers, (3) the amount of its initiation fees, (4) the amount of its regular dues, and (5) by means of a detailed statement or reference to its constitution and bylaws, procedures it follows with respect to certain enumerated matters.

The wording of this subsection conforms to the committee amendments to the Senate bill except in one minor respect—it omits the language fixing the time in which unions exempt from the financial reporting provisions, have to file these documents. Under this bill, as mentioned above, no union is exempt.

Section 201(b): Same as the committee bill. This section would require unions to file with the Secretary annually reports signed by two officers setting forth certain financial information. Section 9(f) of the Taft-Hartley Act now requires unions to file much of this information, but only if they wish to use the procedures of the National Labor Relations Board. The information these reports would contain would be: (1) Assets and liabilities at the beginning and end of each fiscal year; (2) receipts of any kind and the source thereof; (3) salary, allowances, and other disbursements to each officer and to each employee who received more than $10,000 from labor organizations; (4) loans to any officer, employee or member in excess of $250 and the security therefor, if any, and terms of repayment; (5) loans to any business and the security therefor, if any, and terms of repayment; and (6) other disbursements of any kind and the purposes thereof.

Section 201(c): This section requires unions to furnish to their members the information appearing in the foregoing report, and enables members to bring suit, if access to the books and records is denied.

An important difference in the substitute is the omission of section 201(d) in the committee bill which would exempt all labor organizations having less than 200 members or having gross annual receipts of less than $20,000. It is estimated that 60 to 70 percent of the unions would be exempt from reporting under the committee bill.

Section 202 (d) and (e) of the substitute are the same as section 202 (e) and (f) of the committee bill. They would amend Taft-Hartley by striking subsection (f), (g), and (h) thereof.

Section 202(a) (reports of union officers): Same as committee bill. This section deals with conflicts between the personal interests of any union officer or any employee and such officer's or employee's duty to his union. Officers or employees of labor organizations who engage in certain described transactions, where a conflict of interest is likely, must make and file a report of such transactions.

Section 202(b): Same as committee and Senate-passed bills. This section exempts securities that are listed on a national stock exchange or that are registered under the Investment Company Act of 1940 or the Public Utility Holding Company Act of 1935, and any income derived therefrom.

Section 202(c): Same as committee bill. This section makes it clear that reports need not be filed under section 202 unless an officer of a labor organization, his spouse or minor child, do engage in one or more of transactions described in 201(a).

Section 203 (reporting by employers): Same as the committee bill. This section requires certain reports to be filed by employers or labor relations consultants hired by employers. The committee revision (incorporated in the substitute) represents an improvement over the corresponding section of the Senate bill which required reporting of activity which is both ethical and lawful under the National Labor Relations Act. The committee bill and the substitute are clearly aimed at conduct which is unlawful or would be an unfair labor practice.

Section 203(a) requires an employer report to include any payments or loans to representatives of labor organizations, payments to employees or groups or committees of employees for the purpose of causing them to interfere with the exercise of the rights of other employees guaranteed by the Labor Relations Act or the Railway Labor Acts, payments to labor relations consultants who undertake to compensate employees for engaging in such activity or to engage in labor espionage, and payments to any third person for engaging to bring in the services of an individual or firm engaged in such business.

Subsection (b) requires detailed reports from labor relations consultants who enter into such arrangements with employers. A saving clause in subsection (c) makes it clear that this section is not to be construed as limiting or modifying the exercise of rights protected by section 8(c), the so-called free-speech provision of the Labor Relations Act.

Subsection (d) defines the terms "interfere with, restrain or coerce" as having the same meaning as corresponding language in the National Labor Relations Act.

Section 204 (attorney-client relationship): Same as committee bill. This section excludes from the reporting requirements any confidential communications between attorney and client. The provision is identical to language suggested by the American Bar Association.

Section 205 (publication of reports): Same as committee bill. This section provides that reports filed with the Secretary of Labor by labor organizations, union officials, employers, and labor relations consultants shall be public information.

Section 206 (retention of records): Same as committee bill. This section requires persons filing reports to keep the basic records from which such reports were compiled, for inspection for a period of at least 5 years.

Section 207 (effective date): Same as committee bill. This section provides for initial filing within 90 days after passage of the act and permits filing of financial reports within 90 days after the end of the reporter's fiscal year.

Section 208 (rules and regulations): Same as committee bill. This allows the Secretary of Labor—the official designated as custodian of the documents and reports required to be filed—to make regulations with respect to the form of the reports, with authority to prescribe simplified reports for small labor organizations and small employers.

Sections 209 and 210 (enforcement): Same as committee bill. These sections provide for criminal and civil enforcement of the provisions of title II.

TITLE III—TRUSTEESHIPS

The provisions of title III in the substitute are identical to the provisions of title III in the committee bill.

Section 301(a) (reports of trusteeships): This requires reports by national or international unions to the Secretary within 30 days of establishment of trusteeships over subordinate unions (or within 30 days of enactment for existing trusteeships) and semiannually thereafter.

Subsection (b) requires unions to furnish such reports to members and provides the Secretary with the same rulemaking and publication powers he has under title II.

Subsections (c), (d), and (e) make failure to report, false reports or concealment or destruction of documents or records upon which a report is based punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

Section 302 (limitation on parent unions): This requires the establishment and administration of a trusteeship to be in conformity with the union constitution, and for correcting either improper conduct, assuring the performance of agreements, restoring democratic procedures, or the achievement of proper union objects.

Section 303(a) (other limitations): This makes it unlawful during trusteeship (1) to count members' votes for convention delegates or national or international officers if not cast by secret ballot in which all members in good standing could participate, or (2) to transfer to the parent organization any funds of the trusteed union except regular per capita tax and assessments payable by nontrusteed unions. It is provided that upon dissolution of the trusteeship, assets may be distributed in accordance with the charter, constitution, or bylaws.

Subsection (b) makes violation of subsection (a) punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

Section 304(a) (enforcement): This provides that upon the written complaint of a member or subordinate union alleging violation of section 302 or 303, the Secretary shall investigate, and if he finds an unremedied violation, he may petition the appropriate Federal district court to enjoin and dissolve the trusteeship and for other appropriate relief. It also confers a similar right to bring such suits upon members or local unions.

Subsection (b) provides for place and manner of bringing suit.

Subsection (c) provides that a trusteeship established by a labor organization (1) in conformity with the procedural requirements of its constitution and (2) authorized or ratified by the executive board of the labor organization after a hearing, shall be pre-

sumed valid for a period of 18 months. This presumption may be rebutted by clear and convincing proof that the trusteeship was not established for the purposes allowable under section 302. After the expiration of 18 months there will be a presumption that the trusteeship is invalid in any proceeding brought by the Secretary to remove the subordinate union from the trusteeship unless the labor organization can show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 302. If the labor organization can so show, the court many continue the trusteeship for a period not in excess of 1 additional year.

Section 305: This requires a report within 3 years by the Secretary on operation of Trusteeships Title.

Section 306: This makes clear that all other rights and remedies at law or in equity are specifically preserved, with the limitation that when the Secretary does file a complaint the proceeding is to be exclusive and the result res judicata.

TITLE IV—ELECTIONS

The provisions of title IV in the substitute are identical to the provisions of title IV in the committee bill.

The basic purpose of this title, in both bills, is to require national and international labor organizations to provide at least every 5 years for the election of their constitutional officers by secret ballot referendum or through delegates elected by secret ballot, and to require local unions to hold such secret ballot elections at least every 3 years.

Section 401 (terms of office; procedures): This section embodies the foregoing requirements and also gives bona fide candidates a right to inspect a list of names and address of all members of the union subject to a union shop contract, and to designate an observer at the polls and ballot counting.

Provision is also made for elections at least every 4 years for officers of such intermediate bodies as joint boards or joint councils.

Another subsection relates to eligibility, freedom from reprisal and notice of opportunity for nominations. Candidates may not use union funds or employer contributions to promote their campaigns.

A member may petition a U.S. district court for the removal of an elected officer guilty of serious misconduct and if the court finds merit in the petition, it may order a recall referendum in the labor organization affected.

Section 402 (enforcement): When the election provisions have been violated and an aggrieved member has exhausted his remedies under the constitution and bylaws of the union without avail for 6 months, U.S. district courts are given jurisdiction to entertain a suit for relief. Such relief may include the direction of a new election under the supervision of the Secretary of Labor.

Sections 403 and 404 contain ancillary provisions preserving existing rights and remedies with respect to elections which are about to be held and making the provisions of the election title effective within 90 days or at the next union convention if a modification of the union constitution and bylaws is not in order until such convention meets, provided, however, that such convention must be held within 2 years.

TITLE V—SAFEGUARDS FOR LABOR ORGANIZATIONS

This title in the substitute conforms exactly to title V in the committee bill.

Section 501 (fiduciary responsibility of union officers): This section, a revision of a related provision in the Senate bill, states that officials of labor organizations occupy positions of trust with respect to the money and property of the union in their custody. It prescribes certain general standards of fiduciary conduct.

A right of action to recover damages or obtain an accounting in behalf of a labor organization can be brought by a member of the union. Embezzlement of union funds is made a crime punishable by a maximum fine of $10,000 or maximum imprisonment for 5 years, or both.

Section 502 (bonding): This section requires every officer or agent of a labor union (except labor unions whose property and annual financial reports do not exceed $5,000) to be bonded by a corporate surety company. No person not covered by a bond is permitted to handle, disburse, or otherwise control funds.

Another requirement written into this title by a committee amendment is that the surety company must be one in which no labor organization or any officer or agent thereof has an interest. An additional standard is that the company furnishing the bond must have been authorized by the Secretary of the Treasury as an acceptable surety on Federal bonds. Violation of this section carries a criminal penalty.

Section 503 (loans to union officers): Under this section unions are forbidden to make loans in excess of $2,500, and both unions and employers are forbidden to pay the fine of any officer or employee convicted of any willful violation of this act.

Section 504 (ineligibility of Communists and convicts to hold union office): This section adopts the committee revision of the prohibitions in the Senate bill making ineligible for union office persons convicted of certain crimes. The substitute, like the committee bill, not only makes persons who have been convicted or have served prison sentences ineligible for union office or to serve as business agents or organizers, but also makes such persons ineligible to act as labor relations consultants, or as officers of any group or association of employers dealing with a labor organization. The same prohibition applies to present and former members of the Communist Party. The period of ineligibility of ex-convicts or ex-Communists continues for 5 years after the termination of their Communist membership or, in the case of a convict, 5 years after the end of his imprisonment or conviction, as the case may be.

Section 505 (amendment to sec. 302): This section revises section 302 of the Labor-Management Relations Act so as to broaden the prohibitions in existing law against payments by employers to labor organizations or their agents. Under this section the prohibitions are extended to payments by labor relations consultants, payments to representatives of unions who are trying to organize the employees of a particular employer, payments to employee committees for the purpose of influencing other employees, and payments to union officers or employees for the purpose of influencing them in their capacity as such.

The section also makes it unlawful for any person to request or receive such payments or loans.

Another amendent would add a new paragraph to section 302 of the present statute making it illegal for union officers or agents to demand or accept unloading fees from motor carriers.

TITLE VI—MISCELLANEOUS PROVISIONS

This title contains some substantive and procedural provisions which do not fall within the subject matters of any of the specific titles.

Section 601 (investigations): Same as committee bill. This section contains broad language authorizing the Secretary of Labor to inspect records and accounts to determine whether there have been violations of the act. It also confers subpena power upon him.

Section 602 (extortionate picketing): This section is the same as section 213 of the Senate-passed bill. The corresponding section in committee is vague and almost meaningless.

Section 603 (retention of other rights): Same as committee bill. This provides (in subsection (a)) that except where this act is specific, it shall not be construed as reducing or limiting responsibilities of labor organizations or union agents, or barring any existing right or remedy of individual members under State or Federal laws. Subsection (b) provides a similar rule of construction with respect to the Railway Labor Act and the National Labor Relations Act.

Section 604 (State criminal laws): Same as committee bill. This section contains another saving clause making clear that the authority of States to enact or enforce general criminal laws is not to be construed as having been impaired by this act. This section may not be necessary, and should not be construed as an implied limitation on State power in other areas.

Section 605 (service of process): Same as committee bill. This provides that service of process on an officer or agent of a labor organization shall constitute service upon the labor organization itself.

Section 606: Same as committee bill. This section applies the rulemaking provisions of the Administrative Procedure Act to rules and regulations issued under this act.

Section 607: Same as committtee bill. This section contains permissive language authorizing the Secretary of Labor to utilize the facilities or service of State or Federal agencies—with their consent—and directing Federal agencies to cooperate with the Secretary in providing him with information and assistance to perform his functions under this act.

Section 608 (criminal contempt): Same as committee bill. This section preserves the right of jury trial in proceedings for criminal contempt instituted because of a violation of any civil decree resulting from a lawsuit authorized by this act.

Section 609 (denial of rights through discipline): The Senate-passed bill (S. 1555) contained a criminal enforcement provision (sec. 607) which was stricken out by the House committee. (Paragraph (a) of that section 607 would have made it a crime for any labor organization, or its agents, to fine, suspend, expel, or otherwise discipline a member for exercising rights guaranteed by the act. The substitute bill provides that denial of such rights through union discipline shall be unlawful; however, unlike S. 1555, the substitute provides for civil, rather than criminal, enforcement. In our judgment, the conduct prohibited by this section is generally comparable to conduct described as an unfair labor practice under the Taft-Hartley Act and, accordingly, we do not believe that criminal sanctions are warranted.

Section 610 (denial of rights through violence): Like the previous section, this section deals with the denial of rights guaranteed to union members. However, unlike section 609, this section applies to the denial of such rights through force or violence. Criminal penalties in this case are justified and, accordingly, are provided. Section 610 is comparable to section 607(b) of S. 1555, which was stricken by the House committee. However, the words "or by economic reprisal or threat thereof" in the Senate-passed bill are omitted in the substitute. We believe the quoted language is too vague for criminal enforcement and, further, that the activity proscribed is covered, and should be prohibited, under the phrase "or otherwise discipline" in section 609 where civil remedies are available for enforcement.

Section 611: This section states a rule of construction—the conventional principle of separability in the event any portion of the act should be held invalid.

TITLE VII—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

This title, like the corresponding title in the committee bill and Senate bill, proposes certain amendments to the Taft-Hartley Act. Generally speaking, however,

while this title deals with some of the issues considered in the two other bills, it is really a complete substitute. The substitute comes to grips with serious abuses which are ignored or are not dealt with realistically in either the Senate bill or the committee bill. These are in the areas of the jurisdictional "no man's land," secondary boycotts and blackmail recognition picketing.

Section 701 (no man's land): Both the Senate and committee bills in the corresponding section dealt with what is popularly called the issue of "no man's land" (i.e., the holdings by the Supreme Court in the Guss and Fairlawn[1] cases that neither State boards nor State courts have jurisdiction over labor disputes which the National Labor Relations Board declines to entertain on the ground that the impact of such cases on commerce is relatively slight). The committee bill in adverting to this situation proposed a remedy which would create more problems than it would solve. In short, it requires the national board to take jurisdiction of every case, no matter how trivial its effect on interstate commerce. If enacted into law, the committee bill would cast upon an already overburdened agency, thousands of small cases, predominantly local in character, which should be handled by the States.

The committee amendments to section 701, which go in the direction of complete federalism in labor relations, are worse than the Senate bill. The Senate bill did not go quite as far as the committee bill in eliminating the States from this field. It would have permitted State boards—in the 10 States where they exist—to entertain cases.

It should be noted that both the committee bill and the Senate bill ignore the fact that until the Guss decision was handed down, State boards and State courts could, and did accept jurisdiction over cases which the National Board declined to handle.

The substitute bill would eliminate the no man's land by restoring the situation substantially to what it was before the preemption doctrine was carried to the point reflected in the Guss and Fairlawn decisions. In other words, in rejecting the totally Federal approach of the committee bill, and the "slightly less Federal" approach in the Senate bill, this bill in subsection 701(a) would ratify the authority of the Federal Board to decline jurisdiction over cases where the effect on commerce is insubstantial. It would permit the Board to do this either by rule of decision or by published rules. Subsection (b) would then vest State boards and State courts (including territorial tribunals) with authority to exercise jurisdiction over such classes of cases as the Board has declined or would decline.

The revision of section 701 which this substitute bill proposes is not novel and has been recommended by the administration as the solution for the no-man's-land problem.

Section 702 (building and construction industry): This section is a substitute for section 702 of the committee bill. It would permit the National Labor Relations Board to certify a union as the representative of employees in the construction industry without first conducting an election—if the union and the employer petition for such certification, and if there is a history of collective bargaining between the union and the employer. A substantial number of the affected employees may challenge the majority status of the union and cause an election to be conducted.

This provision embodies an agreement reached by the major unions and contractors in the construction industry last year in a series of conferences sponsored by the Secretary of Labor.

Subsection (b) of section 702 adopts verbatim the language of the corresponding subsection in the Senate and committee bills.

Section 703 (elections during economic strikes): This, like the corresponding section of the Senate bill and the committee bill, deals with the problem of economic strikers voting in Labor Board elections. In the present act the second sentence in section 9(c)(3) provides that a replaced striker is not eligible to vote. This provision has been criticized as possibly creating a situation in which an employer could provoke a strike, replace the strikers, and call for a quick election in which the replacements could vote the union out.

The Senate bill attempted to deal with this problem by leaving it to the NLRB to make regulations with respect to the voting by economic strikers. The committee bill carries language which would permit any replaced striker to vote as long as a labor dispute could technically be said to continue—irrespective of whether he had any real interest in his former employment. Thus it would enable former employees with no job rights in the plant to participate in the selection of the representative of the present employees.

This substitute bill avoids these possibilities by continuing in effect the present language of the law, but eliminating the possibility that an unscrupulous employer might provoke a strike and demand an election. Specifically, this section provides that the NLRB may not direct an election during an economic strike in which recognition was not an issue when the strike began, until the strike is terminated or until 1 year after its commencement, whichever is sooner. The same rule applies to a petition filed by a rival union or a group of dissident employees with a 6-month limit rather than a 12-month limitation.

Section 704 (designation of an Acting General Counsel for the Labor Board): This subsection corresponds to section 706 of the Senate bill and subsection (c) of section 701 of the committee bill, and would permit the President to designate an Acting General Counsel when a vacancy in that office occurs.

Section 705 (secondary boycotts and recognition picketing): This section deals effectively with two of the most flagrant types of conduct engaged in to thwart the basic policy of the National Labor Relations Act—secondary boycotts and recognition or organizational picketing. One of the major defects in the Senate and committee bills is the fact that while they concede there is a problem, they deal with these abuses in such an ineffective manner that it can truly be said they do not deal with the basic evils at all. Section 705 of this title adopts a portion of the corresponding section (sec. 705) of the committee bill. It also closes the loopholes which have been carved out of the National Labor Relations Act.

Subsection (a) of this substitute is a revision of section 8(b)(4) of the Taft-Hartley Act, which makes certain types of boycotts and jurisdictional strikes unfair labor practices. It is clear from the legislative history of the Taft-Hartley Act that Congress meant to outlaw all secondary boycotts. Unfortunately, various judicial and administrative decisions have held that the present language of section 8(b)(4) and section 303 permit labor organizations to engage in some types of secondary boycotts with complete impunity. This has been one of the major weapons, as numerous hearings have disclosed, used by gangsters and racketeers who have infiltrated the labor movement.

Present law provides that it is unlawful for a union to induce or encourage "employees of any employer" to engage in strike or "concerted refusal" to do their work for one of the forbidden objects listed in section 8(b)(4)—such as to force their employer to cease doing business with a "primary" employer. Since farm laborers, railway labor, and supervisors are not "employees" within the meaning of the Act, unions may now without penalty induce them to engage in secondary boycotts. This bill corrects this by changing the word "employees" in the phrase quoted above to "any individual employed by any person." This change appears in clause 4(i).

As the present act forbids inducing "employees" to engage in a strike or "concerted" refusal to do their work, the courts have held that unions may induce employees one at a time to engage in secondary boycotts.[2] By changing "employees" to "any individual" and omitting the word "concerted," the proposed revision of clause 4(i) closes this loophole.

The courts also have held that, while a union may not induce employees of a secondary employer to strike for one of the forbidden objects, they may threaten the secondary employer, himself, with a strike or other economic retaliation in order to force him to cease doing business with a primary employer with whom the union has a dispute. This bill makes such coercion unlawful by the insertion of a clause 4(ii) forbidding threats or coercion against "any person engaged in commerce or an industry affecting commerce."

Another important change in the language of section 8(b)(4)(A) of the present act is the insertion of the words "to agree." Under existing law strikes to force or require secondary employers to cease handling or transporting certain products or to cease doing business with some other person are forbidden. The law, however, does not prohibit resort to the same kind of activity to force such employers to sign contracts or agreements not to handle or transport goods coming from a source characterized by a union as "unfair." While it is true that the Supreme Court in its various "hot cargo" decisions[3] held that such contracts were not a defense to the actual incitement of employees, it expressly abstained from holding that it was illegal to cause employers to sign such contracts.

The addition of the words "to agree" in this paragraph, as this bill proposes, would make it illegal for unions to insist upon "hot cargo" clauses being inserted into collective bargaining agreements. This would accomplish a much-needed reform. At the present time not only do many Teamster contracts contain "hot cargo" clauses but some other unions employ the same device.

The bill makes no changes in section 8(b)(4)(D) of the present statute, the prohibition against strikes over work assignments. It does include one additional proviso which relates to what is popularly referred to as "farmed out" work. This proviso makes the secondary boycott prohibitions inapplicable to a lawful strike against a secondary employer performing work for the account of a primary employer who cannot do the work himself because his own employees ordinarily assigned to such tasks are on strike. This exemption applies, however, only where the strike is lawful, not in breach of a collective bargaining agreement, and called or ratified by the union the primary employer is required by law to recognize.

Subsection (b) of section 705 also concerns the hot cargo problem. Both the Senate bill in section 707(a) and the committee bill in section 705(a) display some concern with this tactic by making it an unfair labor practice for common carriers and unions to

[1] *Guss* v. *Utah Labor Relations Board*, 353 U.S. 1; *Amalgamated Meatcutters* v. *Fairlawn Meats, Inc.*, 353 U.S. 20.

[2] *NLRB* v. *International Rice Milling Co.*, 341 U.S. 665.

[3] *Local 1796, United Brotherhood of Carpenters* v. *NLRB*, 357 U.S. 93.

enter into contracts whereby the carrier agrees to refrain from transporting certain products or to provide services to some employer. However, there is no valid reason why this prohibition on hot cargo contracts should apply only to the carriers subject to the Interstate Commerce Act. Subsection (b) of section 705 not only makes it an unfair labor practice to enter into a "hot cargo" agreement, but also makes it clear that such contracts are void and unenforcible.

Subsection 705(c) of the substitute embodies a major reform. It is intended to prohibit blackmail recognition picketing by unions which do not represent the employees. Under the National Labor Relations Act elaborate election machinery is provided for ascertaining the wishes of employees in selecting or rejecting bargaining representatives. The act contains provisions for giving employees an opportunity to vote by secret ballot. In recent years the safeguards intended by these election provisions have been thwarted by unions which have lost elections, and unions which do not have enough employee support to petition for an election but yet insist upon compelling employers to sign contracts with them—irrespective of the sentiment of the employees.

The customary method employed to force employers to do this is to place picket lines around their plants or shops. Such picketing, even when peaceful, will frequently cause small employers to capitulate. The picket line is a signal for truckers not to pick up or deliver goods to employees of maintenance contractors. Pickets also deter many customers from entering retail or service establishments. In the face of such tactics employees whose jobs are in jeopardy as they see their employer's business choked off are soon coerced into joining the picketing union—even though they might prefer another union. In many such cases their employer forces them in a particular union by signing a compulsory membership agreement with the picketing union.

The NLRB has attempted to give some relief to employers and employees victimized in such situations by holding it an unfair labor practice for a union to picket for recognition after it has lost an election. While such relief seems called for, nevertheless the courts of appeal are in conflict as to whether the Board has even this limited power. In the District of Columbia the court of appeals set aside the Board's order.[4]

Both the Senate bill and the committee bill contain language which would prohibit picketing for recognition if (a) an employer has legally recognized another union, or (b) where the Board has held an election within the preceding 9-month period. These sections do not go to the heart of the problems. It is already illegal to picket where another union is certified. The prohibition against picketing within a 9-month period after an NLRB election is so qualified by other language as to make the prohibition meaningless. It permits recognition picketing by a union after it has lost an election—if such union then claims it has been "designated or selected as representative" by the majority of the employees. Apparently, a union could thus resume its blackmail picketing immediately after it lost the election.

The substitute bill which would prevent such picketing for a 1-year period after an election—unless of course, the union has won it. It would also prohibit picketing where the union cannot show enough adherents to justify a Labor Board election, or where the picketing has continued for a reasonable time (not to exceed 30 days) without a petition being filed.

Subsection (d) applies the provisions of present law calling for priority of investigation and temporary injunctive relief.

Subsection (e) relates to section 303 of the Taft-Hartley Act which now contains language identical to section 8(b)(4). The purpose is to make the language of section 303 conform to the amendments to section 8(b) provided for in the earlier parts of this section. Section 303 under present law authorizes damage suits for boycotts.

Section 706: This section is identical with the corresponding section of the committee bill and section 709 of the Senate bill. It provides for an amendment to section 10—the enforcement section of the National Labor Relations Act—which would require the regional offices to give priority of investigation to charges of illegal discrimination against individual employees.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended as follows:

(1) Section 123(a) is amended to read as follows:

"(a) In time of war, or of national emergency declared by Congress, the President may suspend the operation of any provision of the following sections of this title with respect to any armed force: 281, 592, 1002, 1005, 1006, 1007, 1374, 3217, 3218, 3219, 3220, 3352(a) (last sentence), 3353, 3354, 3359, 3360, 3362, 3363, 3364, 3365, 3366, 3367, 3368, 3369, 3370, 3371, 3375, 3378, 3380, 3382, 3383, 3384, 3385, 3386, 3388, 3389, 3390, 3391, 3392, 3393, 3494, 3571, 3819, 3820(c), 3843, 3844, 3845, 3846, 3847, 3848, 3850, 3851, 3852, 3853, 3854, 5414, 5457, 5458, 5506, 5600, 5665, 5867, 5891, 5892, 5893, 5894, 5895, 5896, 5897, 5898, 5899, 5900, 5901, 5902, 5903, 5904, 5905, 5906, 5907, 5908, 5909, 5910, 5911, 6389, 6391, 6397, 6403, 6410, 8217, 8218, 8219, 8353, 8354, 8358, 8359, 8360, 8361, 8362, 8363, 8365, 8366, 8367, 8368, 8370, 8371, 8372, 8373, 8374, 8375, 8376, 8377, 8378, 8379, 8380, 8381, 8392, 8393, 8396, 8494, 8571, 8819, 8843, 8844, 8845, 8846, 8847, 8848, 8850, 8851, 8852, and 8853.

(2) Chapter 11 is amended—

(A) by adding the following new section after section 280:

§ 281. Adjutants general and assistant adjutants general: reference to other officers of National Guard

"In any case in which, under the laws of a State or Territory, Puerto Rico, the Canal Zone, or the District of Columbia, an officer of the National Guard of that jurisdiction, other than the adjutant general or an assistant adjutant general, normally performs the duties of that office, the reference in section 1002(c), 3218, 3364, 3370(d), 3392, 3845, 3851, 3852, 8218, 8844, 8845, 8851, or 8852 of this title to the adjutant general or the assistant adjutant general shall be applied to that officer instead of to the adjutant general or assistant adjutant general."; and

(B) by adding the following new item at the end of the analysis:

"281. Adjutants general and assistant adjutants general: reference to other officers of National Guard."

(3) Chapter 51 is amended—

(A) by striking out the figures "3849," and "8849," in section 1006(e);

(B) by amending section 1007 to read as follows:

"§ 1007. Commissioned officers: retention in active status while assigned to Selective Service System or serving as United States property and fiscal officers

"Notwithstanding chapters 337, 363, 573, 863, and 873 of this title, a reserve commissioned officer, other than a commissioned warrant officer, who is assigned to the Selective Service System or who is a property and fiscal officer appointed, designated, or detailed under section 708 of title 32, may be retained in an active status in that assignment or position until he becomes 60 years of age."; and

(C) by striking out the following item from the analysis:

"1007. Commissioned officers: retention in active status while assigned to Selective Service System."

and inserting the following new item in place thereof:

"1007. Commissioned officers: retention in active status while assigned to Selective Service System or serving as United States property and fiscal officers."

(4) Section 1374(a) is amended by striking out the words "is found to be incapacitated for service because of a physical disability and is transferred to the Retired Reserve", and inserting the following in place thereof: "is transferred to the Retired Reserve, except under section 1002 of this title".

(5) Section 3212 is amended—

(A) by inserting the figure "3383," after the figure "3366,";

(B) by inserting the words "and to the extent necessary to allow the appointment of reserve officers to fill prescribed mobilization or active duty requirements" before the period at the end of the first sentence; and

(C) by inserting the words "or not to fill one of those requirements" after the word "sections" in the second sentence.

(6) Section 3218 is amended by striking out the words "and those serving in the National Guard Bureau", and inserting the following in place thereof: "those serving in the National Guard Bureau, and those promoted under section 3389 of this title,".

(7) The last sentence of section 3352(a) is amended by striking out the word "regular" and inserting the words "temporary, regular," in place thereof.

(8) Section 3353(a) is amended by striking out the words "and is not already a commissioned officer of an armed force".

(9) Section 3359 is amended—

(A) by striking out the word "Based" at the beginning thereof and inserting the designation "(a)" and the words "Except as provided in subsection (b), based" in place thereof; and

(B) by adding the following new subsection at the end thereof:

"(b) A person who has served on active duty (other than for training) in any grade higher than the reserve grade in which he may be appointed under subsection (a) may be originally appointed as a reserve officer of the Army in a reserve grade equal to that higher grade."

(10) Section 3364 is amended by adding the following new subsections at the end thereof:

"(e) Notwithstanding any other provision of this title, a reserve commissioned officer who has been in an inactive status may not be considered for promotion until at least one year after the date on which he is returned to an active status."

"(f) An officer of an Army Reserve unit organized to serve as a unit may decline a promotion under section 3366 or 3367 of this

[4] *Drivers Local 639* v. *N.L.R.B.*, 43 LRRM 2156 (CADC, 1958), setting aside *Curtis Bros., Inc.*, 119 NLRB No. 33. Cf., *N.L.R.B.* v. *Rubber Workers*, 44 LRRM 2465 (CA 4, 1959) enforcing *O'Sullivan Rubber Corp.*, 121 NLRB No. 185.

title if the Secretary of the Army, or an officer designated by him, approves that action as being in the best interests of the Army.

"(g) An officer of the Army National Guard of the United States may decline a promotion under section 3366 or 3367 of this title if the Governor or other appropriate authority of the State or Territory, Puerto Rico, the Canal Zone, or the commanding general of the District of Columbia National Guard, whichever is concerned, approves that action.

"(h) If an officer declines a promotion under subsection (f) or (g), his name shall be retained on the appropriate promotion list for a period of not more than three years from the date he was selected for promotion to the grade concerned unless—

"(1) in the case of an officer of the Army Reserve, he is appointed to that grade or his name is removed from the list under another provision of law; and

"(2) in the case of an officer of the Army National Guard of the United States, he is appointed to the next higher grade to fill a vacancy in the Army National Guard and is federally recognized in that grade or his name is removed from the list under another provision of law.

"(i) At the end of the three-year period described in subsection (h), or at any earlier time if he requests the promotion, an officer of the Army Reserve whose name is retained on the promotion list under that subsection, shall be promoted to the grade concerned and shall be transferred from his unit unless, upon his promotion, he fills a vacancy in that unit.

"(j) At the end of the three-year period described in subsection (h), or at any earlier time if he requests the promotion, an officer of the Army National Guard of the United States whose name is retained on the promotion list under that subsection shall, effective as of the last day of that period or as of the date of his request, as the case may be, have his Federal recognition terminated, be transferred to the Army Reserve, and be promoted to the grade concerned. However, an officer may not be transferred and promoted under this subsection before the expiration of that three-year period unless the Governor or other appropriate authority of the State, Territory, Puerto Rico, the Canal Zone, or the commanding general of the National Guard of the District of Columbia, whichever is concerned, approves that action."

(11) Section 3366 is amended—

(A) by amending the catchline to read as follows:

"§ 3366. Commissioned officers: promotion of first lieutenants, captains, and majors; mandatory consideration";

(B) by inserting the words ", while holding that grade," before the words "has not been considered" in subsection (a);

(C) by inserting the following new subsection after subsection (a):

"(b) Without regard to vacancies, each officer of an Army Reserve unit organized to serve as a unit, and each officer of the Army National Guard of the United States, who holds the reserve grade of first lieutenant, captain, or major and who has not been considered by a selection board under this section or section 3367 of this title, for promotion to the next higher reserve grade, shall be so considered far enough in advance of the date upon which he will complete the service prescribed in column 2 of the table in subsection (a) that, if recommended, he may be promoted effective on the date on which he will complete that service.";

(D) by redesignating present subsections (b), (c), (d), (e), (f), and (g) as "(c)", "(d)", "(e)", "(f)", "(g)", and "(h)", respectively.

(E) by amending subsection (c), as redesignated, to read as follows:

"(c) An officer recommended for promotion under this section may be promoted to fill a vacancy within the distribution of officers not assigned to units at any time. If not sooner promoted, he shall be promoted, effective as of the date on which he completes the service prescribed in column 2 of the table in subsection (a), without regard to vacancies. Each officer of the Army National Guard of the United States who is recommended by a selection board for promotion under this section, and who, before the date on which he would be promoted under this section, is appointed to the next higher grade to fill a vacancy in the Army National Guard and is federally recognized in that grade, shall be promoted to that reserve grade effective as of the date on which he is so recognized. If he is not so appointed to the next higher grade in the Army National Guard and federally recognized in that grade, he shall, effective as of the date of his promotion under this section, have his Federal recognition terminated and be transferred to the Army Reserve. Each officer of an Army Reserve unit organized to serve as a unit who is promoted under this section shall, effective as of the date of that promotion, be transferred from his unit unless, upon his promotion, he fills a vacancy in that unit;" and

(F) by amending subsection (g), as redesignated to read as follows:

"(g) This section does not apply to the promotion to a grade above major of reserve officers of the Army Nurse Corps, Army Medical Specialist Corps, or the Women's Army Corps."

(12) Section 3367 is amended—

(A) by amending the catchline to read as follows:

"§ 3367. Commissioned officers: promotion of first lieutenants, captains, and majors to fill vacancies";

(B) by amending subsections (a) and (b) to read as follows:

"(a) Whenever the Secretary of the Army determines that, within the distribution of officers not assigned to units, there are existing or anticipated vacancies in the reserve grade of captain, major, or lieutenant colonel, he may convene a selection board to consider and recommend, for promotion to those grades, officers of the Army Reserve who are in an active status and who are not assigned to units organized to serve as units, reserve officers who are on active duty (other than for training), officers of any Army Reserve unit organized to serve as a unit, and officers of the Army National Guard of the United States. The Secretary shall prescribe for each zone of consideration list established under section 3364 of this title the minimum service, computed under section 3360(b) of this title, that an officer of the appropriate branch must have to be placed to that list. He shall require that each officer who has the prescribed service completed under that section, who is in an active status, and who is not assigned to a unit organized to serve as a unit, be placed on that list. Officers of any Army Reserve unit organized to serve as a unit, and officers of the Army National Guard of the United States, who have the prescribed service computed under that section, shall also be placed on that list. The Secretary shall prescribe the number to be recommended for promotion from each list.

"(b) Subject to section 3380 of this title, an officer recommended for promotion under this section may be promoted whenever there is a vacancy, but it is not mandatory that the authorized number be maintained in any grade. Each officer of the Army National Guard of the United States who is recommended by a selection board for promotion under this section and who, before the date on which he would be promoted under this section, is appointed in the next higher grade to fill a vacancy in the Army National Guard and is federally recognized in that grade shall be promoted to that reserve grade effective as of the date on which he is so recognized. If he is not so appointed in the next higher grade in the Army National Guard and federally recognized in that grade, he shall, effective as of the date of the promotion under this section, have his Federal recognition terminated and be transferred to the Army Reserve. Each officer of an Army Reserve unit organized to serve as a unit who is promoted under this section shall, effective as of the date of that promotion, be transferred from his unit unless, upon his promotion, he fills a vacancy in that unit;" and

(C) by amending subsection (d) to read as follows:

"(d) This section does not apply to the promotion of a grade above major of reserve officers of the Army Nurse Corps, Army Medical Specialist Corps, or the Women's Army Corps."

(13) Section 3770 is amended—

(A) by amending the catchline to read as follows:

"§ 3370. Commissioned officers: promotion to field grade in certain cases";

(B) by amending subsections (a) and (b) to read as follows:

"(a) Whenever the Secretary of the Army determines that, within the distribution of officers not assigned to units, there are existing or anticipated vacancies in the reserve grade of—

"(1) lieutenant colonel in the Army Nurse Corps, Army Medical Specialist Corps, or the Women's Army Corps;

"(2) colonel in any other branch; or

"(3) colonel in the Army Nurse Corps or Army Medical Specialist Corps;

he may convene a selection board to consider and recommend, to fill those vacancies, reserve officers who are in an active status and who are not assigned to units organized to serve as units, subject to section 3390 of this title, reserve officers who are on active duty (other than for training), officers of any unit of the Army Reserve organized to serve as a unit, and officers of the Army National Guard of the United States.

"(b) The Secretary shall prescribe for each zone of consideration list established under section 3364 of this title the amount of service computed under section 3360(b) of this title that an officer of the branch concerned must have to be placed on it for consideration under this section. So far as practicable, the amount of service prescribed shall correspond to that which an officer of the Regular Army in the same branch must have for consideration for promotion to the same grade. The Secretary shall require that each officer who is in an active status, who is not assigned to a unit organized to serve as a unit, and who has the prescribed service computed under that section be placed on that list. Officers of any unit of the Army Reserve organized to serve as a unit, and any officer of the Army National Guard of the United States, who have the prescribed service computed under that section, shall also be placed on that list."; and

(C) by amending subsection (d) to read as follows:

"(d) Subject to section 3380 of this title, an officer recommended for promotion under this section may be promoted whenever there is a vacancy, but it is not mandatory that the authorized number be maintained in any grade. Each officer of the

Army National Guard of the United States who is recommended for promotion under this section and who, before the date on which he would be promoted under this section, is appointed in the next higher grade to fill a vacancy in the Army National Guard and is federally recognized in that grade shall be promoted to that reserve grade effective as of the date on which he is so recognized. If he is not so appointed in the next higher grade in the Army National Guard and federally recognized in that grade, he shall effective as of the date of the promotion under this section, have his Federal recognition terminated and be transferred to the Army Reserve. An officer of the Army National Guard of the United States may decline a promotion under this section if the Governor or other appropriate authority of the State, Territory, Puerto Rico, the Canal Zone, or the commanding general of the District of Columbia National Guard, whichever is concerned, approves that action. If an officer of the Army National Guard of the United States so declines a promotion, his name shall be removed from the recommended list. Each officer of an Army Reserve unit organized to serve as a unit who is promoted under this section shall, effective as of the date of that promotion, be transferred from his unit unless upon his promotion he fills a vacancy in that unit. An officer of a unit of the Army Reserve organized to serve as a unit may decline a promotion under this section if the Secretary of the Army, or an officer designated by him, approves that action as being in the best interest of the Army."

(14) Section 3383 is amended—

(A) by striking out the words "section 3217 and 3219" in subsection (a) and inserting the words "section 3220" in place thereof; and

(B) by inserting the following new sentence after the first sentence of subsection (b): "whenever the Secretary determines that a vacancy in a reserve grade below colonel is one that may be filled by an officer of the Women's Army Corps, officers of that branch are eligible for consideration even though the vacancy is not allocated to that branch."

(15) Subsections (a) and (b) of section 3389 are each amended by striking out the words "and not above colonel".

(16) Section 3391 is amended to read as follows:

"§ 3391. Commissioned officers: officers of Army Nurse Corps, Army Medical Specialist Corps, and Women's Army Corps not to be promoted above certain grades.

"A reserve officer of the Army Nurse Corps or the Army Medical Specialist Corps may not be promoted to a reserve grade above colonel. A reserve officer of the Women's Army Corps may not be promoted to a reserve grade above lieutenant colonel."

(17) The analysis of chapter 337 is amended by striking out the following items:

"3366. Commissioned officers: promotion of first lieutenants, captains, and majors not assigned to units; mandatory consideration.

"3367. Commissioned officers: promotion of first lieutenants, captains, and majors not assigned to units to fill vacancies.

* * * * *

"3370. Commissioned officers: officers not assigned to units; promotion to field grade in certain cases."

and inserting the following items in place thereof:

"3366. Commissioned officers: promotion of first lieutenants, captains, and majors; mandatory consideration.

"3367. Commissioned officers: promotion of first lieutenants, captains, and majors to fill vacancies.

* * * * *

"3370. Commissioned officers: promotion to field grade in certain cases."

(18) Section 3494 is amended by adding the following new sentence at the end thereof: "However, a reserve commissioned officer who is selected for participation in a program under which he will be ordered to active duty for at least one academic year at a civilian school or college may, upon his request, be ordered to that duty in a temporary grade that is lower than his reserve grade, without affecting his reserve grade."

(19) Section 3571(a)(3) is amended to read as follows:

"(3) for a reserve officer, precedes his date of entry on active duty by a period computed by adding—

"(A) the years of service after June 30, 1955, while in his current reserve grade or in any higher reserve grade, that are credited to him under section 1332(a)(2) of this title;

"(B) the days and months of any part of the year preceding his date of entry on active duty, while in his current reserve grade or in any higher reserve grade, that are not credited to him under clause (A), if, under regulations to be prescribed by the Secretary of the Army, his service during that part of a year was satisfactory;

"(C) the periods of active service while in his current reserve grade or in any higher reserve grade, that are not credited to him under clause (A) or (B);

"(D) the periods of service, while in his current reserve grade or in any higher reserve grade, that he has performed under section 502, 503, 504, or 505 of title 32, and that are not credited to him under clause (A) or (B); and

"(E) one day for each point for drill or equivalent instruction after June 30, 1955, while in his current reserve grade or in any higher reserve grade, that is credited to him under section 1332(a)(2)(B) of this title and are not credited to him under clause (A) or (B)."

(20) Sections 3841 and 3842 are repealed.

(21) Section 3843(b) is amended by striking out the words "in an active status in a reserve grade below brigadier general" and inserting the words "in a reserve grade below brigadier general who is not a member of the Retired Reserve" in place thereof.

(22) Section 3844 is amended—

(A) by striking out the words "in an active status in the reserve grade of major general and each officer in an active status in the reserve grade of brigadier general" and inserting the words "in the reserve grade of major general who is not a member of the Retired Reserve, and each officer in the reserve grade of brigadier general who is not a member of the Retired Reserve and" in place thereof; and

(B) by inserting a comma before the word "shall".

(23) Section 3847 is amended to read as follows:

"§ 3847. Twenty-five years; officers below lieutenant colonel; Army Nurse Corps, Army Medical Specialist Corps, and Women's Army Corps

"Each officer in a reserve grade below lieutenant colonel who is assigned to the Army Nurse Corps, the Army Medical Specialist Corps, or the Women's Army Corps, and who has not been recommended for promotion to the reserve grade of lieutenant colonel or has not remained in an active status since such a recommendation, shall 30 days after he completes 25 years of service computed under section 3853 of this title—

"(1) be transferred to the Retired Reserve, if he is qualified and applies therefor; or

"(2) if he is not qualified or does not apply therefor, be discharged from his reserve appointment."

(24) Section 3848 is amended—

(A) by amending subsection (a) to read as follows:

"(a) Except as provided in section 3847 of this title, each officer in the reserve grade of first lieutenant, captain, major, or lieutenant colonel who is not a member of the Retired Reserve, and each officer in the reserve grade of major who is assigned to the Army Nurse Corps, Army Medical Specialist Corps, or the Women's Army Corps, who has been recommended for promotion to the reserve grade of lieutenant colonel who is not a member of the Retired Reserve, and who has remained in an active status since that recommendation, shall, 30 days after he completes 28 years of service computed under section 3853 of this title—

"(1) be transferred to the Retired Reserve, if he is qualified and applies therefor; or

"(2) if he is not qualified or does not apply therefor, be discharged from his reserve appointment."; and

(B) by adding the following new subsection at the end thereof:

"(d) Notwithstanding subsection (a), an officer who is assigned to the Army Nurse Corps, the Army Medical Specialist Corps, or the Women's Army Corps and who would otherwise be removed from an active status under subsection (a), may, in the discretion of the Secretary of the Army, be retained in an active status, but not later than 30 days after he completes 30 years of service computed under section 3853 of this title."

(25) Section 3849 is repealed.

(26) Section 3851(a) is amended—

(A) by striking out the words "After July 1, 1960, each" and inserting the word "Each" in place thereof; and

(B) by striking out the words "in an active status in the reserve grade of colonel or brigadier general" and inserting the words "in the reserve grade of colonel or brigadier general who is not a member of the Retired Reserve or the adjutant general or assistant adjutant general of a State or Territory, Puerto Rico, the Canal Zone, or the District of Columbia" in place thereof.

(27) Section 3852 is amended—

(A) by striking out the words "After July 1, 1960, each" and inserting the word "Each" in place thereof; and

(B) by striking out the words "in an active status in the reserve grade of major general" and inserting the words "in the reserve grade of major general who is not a member of the Retired Reserve or the adjutant general or assistant adjutant general of a State or Territory, Puerto Rico, the Canal Zone, or the District of Columbia" in place thereof.

(28) The analysis of chapter 363 is amended by striking out the following items:

"3841. Age 50: Army Nurse Corps or Army Medical Specialist Corps; reserve officers below major.

"3842. Age 55: Army Nurse Corps or Army Medical Specialist Corps; reserve officers above captain.

* * * * *

"3847. Twenty-five years: Women's Army Corps majors.

* * * * *

"3849. Twenty-eight years: Women's Army Corps lieutenant colonel."

and inserting the following item in place thereof:

"3347. Twenty-five years: officers below lieutenant colonel; Army Nurse Corps, Army Medical Specialist Corps, and Women's Army Corps.".

(29) Section 5457(b) is amended by inserting the word "authorized" before the words "number of such officers".

(30) Section 5458(a) is amended by striking out the figure "5" and inserting the figure "10" in place thereof.

(31) Section 5458(b) is amended by inserting the word "authorized" before the words "number of such officers".

(32) Section 5505 is amended by adding the following new subsection at the end thereof:

"(d) Any officer of the Naval Reserve or Marine Corps Reserve who is selected for participation in a personnel procurement program under which he will be ordered to active duty for at least one academic year at a civilian school or college may, upon his request, be ordered to that duty in a temporary grade that is lower than his permanent or temporary grade, without affecting his permanent or temporary grade."

(33) Section 5600(a) is amended by striking out the words "who is not already an officer in an armed force in a permanent grade above chief warrant officer, W-4,".

(34) Section 5899 is amended—

(A) by adding the following new sentence at the end of subsection (a): "However, an officer in the grade of captain or commander is eligible for consideration for promotion when his running mate is eligible for consideration for promotion. From among those eligible commanders who are junior to the junior officer in the promotion zone, the board may recommend for promotion to the grade of captain a number of officers that does not exceed 5 percent of the total number of officers that the board is authorized to recommend for promotion, unless that number is less than one, in which case it may recommend one such officer.", and

(B) by adding the following new subsection at the end thereof:

"(h) Notwithstanding any other provision of this title, a reserve commissioned officer in a permanent grade above chief warrant officer, W-4, who has been in an inactive status may not be considered for promotion until at least one year after the date he is returned to an active status."

(35) Section 5902 is amended by adding the following new subsection at the end thereof:

"(e) The promotion of an officer of the Naval Reserve or the Marine Corps Reserve who is under investigation or against whom proceedings of a court-martial or a board of officers are pending may be delayed by the Secretary of the Navy until the investigation or proceedings are completed. However, the promotion of an officer may not be delayed under this subsection for more than one year after the date he is selected for promotion unless the Secretary determines that a further delay is necessary in the public interest."

(36) Section 5907 is amended by adding the following new sentence at the end thereof: "However, if an officer has not established his professional and moral qualifications, as prescribed by the Secretary of the Navy under section 5867 of this title, within one year after the date on which the President approved the report of the selection board that recommended him for promotion, he is entitled to the pay and allowances of the grade to which promoted only from the date he is appointed in that grade."

(37) Section 6389(c) is amended by adding the following at the end thereof:

"Notwithstanding the first sentence of this subsection, the Secretary may defer the retirement or discharge of such number of officers serving in the grade of lieutenant commander as are necessary to maintain the authorized officer strength of the Ready Reserve, but the duration of such deferment for any individual officer may not be in excess of five years. Notwithstanding the first two sentences of this subsection, the Secretary may defer the retirement or discharge under this subsection of an officer serving in the permanent grade of lieutenant commander or above in the Naval Reserve or in the permanent grade of major or above in the Marine Corps Reserve for a period of time which does not exceed the amount of service in an active status which was credited to the officer at the time of his original appointment or thereafter under any provision of law, if the officer can complete at least 20 years of service as computed under section 1332 of this title during the period of such deferment."

(38) Section 6391(a) is amended by inserting the words "or on the inactive status list" after the words "active status".

(39) Section 8212 is amended—

(A) by inserting the figures "8370 (a) or (c), 8372(b), 8374," immediately before the figure "8375";

(B) by inserting the following immediately before the period at the end of the first sentence: ", and to the extent necessary to allow the appointment of reserve officers to fill prescribed mobilization or active duty requirements"; and

(C) by inserting the words "or not to fill one of those requirements" after the word "sections" in the last sentence.

(40) Section 8218 is amended by striking out the words "and those serving in the National Guard Bureau,".

(41) Section 8353(a) is amended by striking out the words "and is not already a commissioned officer of an armed force".

(42) Section 8361 is amended—

(A) by inserting the word "reserve" before the word "grade" wherever it occurs in subsection (a); and

(B) by adding the following new sentence at the end of the subsection (e): "Notwithstanding any other provision of this title, such a reserve commissioned officer may not be considered for promotion until at least one year after the date on which he is returned to an active status."

(43) Section 8363 is amended—

(A) by striking out the figure "8372" in subsection (c) and inserting the figures "8366, or 8372" in place thereof;

(B) by striking out the words "8379, or 8380 of this title or subsection (f)" in subsection (e) and inserting the words "or 8379 of this title or subsection (f) or (g)" in place thereof; and

(C) by adding the following new subsection at the end thereof:

"(g) The promotion of a reserve commissioned officer who is under investigation or against whom proceedings of a court-martial or board of officers are pending may be delayed until the investigation or proceedings are completed. However, a promotion may not be delayed under this subsection for more than one year after the date he is selected for promotion unless the Secretary of the Air Force determines that a further delay is necessary in the public interest."

(44) Section 8366 is amended—

(A) by amending the last sentence of subsection (c) to read as follows: "However, if there is no vacancy in the Air National Guard in that grade on the date on which he must be promoted under subsection (d), he shall be retained in the Air National Guard in that grade for a period ending 90 days after that date, or until a vacancy occurs in that grade, whichever is earlier. If no vacancy occurs during that period, he shall, on the last day of that period, have his federal recognition terminated and be transferred to the Air Force Reserve.";

(B) by striking out the words "federally recognized National Guard before June 15, 1933," in subsection (e)(2) and inserting the words "National Guard" in place thereof; and

(C) by amending subsection (f) to read as follows:

"(f) This section does not apply to the promotion to a grade above major of any Air Force nurse or medical specialist or any female reserve officer who is not designated under section 8067 (a)-(d) or (g)-(i) of this title or appointed in the Air Force with a view to designation under that section."

(45) Section 8368 is amended—

(A) by amending subsection (a) to read as follows:

"(a) In this chapter, 'deferred officer' means any of the following officers who has been considered, for the first time under this chapter, by a selection board for promotion to the next grade higher than his current reserve grade but not recommended for that promotion, who has been examined for the first time for Federal recognition in the next grade higher than his current reserve grade, but found not qualified for that recognition, or who has been recommended or found qualified and declined that promotion:

"(1) An officer in the reserve grade of first lieutenant or captain.

"(2) An officer in the reserve grade of major, other than an Air Force nurse or medical specialist or a female officer who is not designated under section 8067(a)-(d) or (g)-(i) of this title or appointed in the Air Force with a view to designation under that section.";

(B) by inserting the words ", or is recommended and declines the promotion" after the words "not recommended for promotion" in subsection (f); and

(C) by inserting the words ", or is recommended or found qualified and declines the promotion" after the words "found qualified for federal recognition" in subsection (g).

(46) Section 8370 is amended—

(A) by striking out the word "captain" in subsection (b) and inserting the word "major" in place thereof; and

(B) by amending subsection (c) to read as follows:

"(c) A reserve officer who is designated as an Air Force nurse or medical specialist may be promoted to a reserve grade above major only to fill a vacancy in the number authorized by the Secretary for that category."

(47) Section 8372(b) is amended to read as follows:

"(b) Whenever the Secretary considers that the number of officers in the reserve grade of captain, major, lieutenant colonel, or colonel in—

"(1) any unit of the Air Force Reserve that is in the Ready Reserve and is not on active duty or is on active duty for training; or

"(2) the Air Force Reserve, in positions to be filled by officers with a mobilization assignment in the Ready Reserve;

is or may become unbalanced, he may direct that a number specified by him be selected from officers of the Air Force Reserve who are in the Ready Reserve, who are not on active duty or are on active duty for training, but who are determined to be specially qualified for, and available to fill, those vacancies. Selection for promotion under this subsection shall be made under the procedures prescribed in the first two sentences of section 8367(c) of this title, but no officer may be selected for promotion under this subsection unless he is fully qualified for promotion to the grade concerned."

(48) Section 8376 is amended—

(A) by striking out the words ", and who was promoted to that temporary grade under a general selection board procedure," in subsection (a);

(B) by inserting the following before the period at the end of the first sentence of subsection (c): "or before applying for promotion under subsection (a)"; and

(C) by amending the second sentence of subsection (c) to read as follows: "When he completes that amount of service and applies, or if, having completed that amount

of service before being released from active duty, he applies, an officer covered by this subsection shall be promoted to the next higher reserve grade, without regard to vacancies."

(49) Section 8377(b) is amended by striking out the words ", except as provided in sections 1005 and 1006 of this title, be transferred to the Retired Reserve, if he is qualified and applies therefor, or be discharged from his reserve appointment" and inserting the words "be treated in the manner provided for deferred officers in section 8846 of this title" in place thereof.

(50) Section 8380 is amended—

(A) by striking out the last sentence of subsection (b) and inserting the following in place thereof: "If he has completed the period of active duty (other than for training) that he is required by law or regulation to perform as a member of a reserve component and declines the temporary appointment, he shall be released from active duty. If he has not completed that period of active duty, he shall be retained on active duty in the grade in which he was serving before the promotion and may not be released from active duty on his application until he completes the period of active duty he is so required by law or regulation to perform."; and

(B) by repealing subsection (c).

(51) Chapter 837 is amended—

(A) by adding the following new section at the end thereof:

"§ 8396. Officers promoted under section 8366 of this title: retention in unit

"(a) Notwithstanding any other provision of law except sections 8843 or 8844 of this title, an officer of any unit of the Air Force Reserve organized to serve as a unit, or an officer of the Air National Guard of the United States, who is promoted to the reserve grade of captain under section 8366 of this title, who in the case of an officer of the Air National Guard, is federally recognized in the grade of captain, and for whom there is no vacancy in that grade in his unit, may be retained in that grade in his unit until he is promoted to the reserve grade of major.

"(b) Notwithstanding any other provision of law except sections 8843 or 8844 of this title, an officer of any unit of the Air Force Reserve organized to serve as a unit, or an officer of the Air National Guard of the United States—

"(1) who is promoted to the reserve grade of major under section 8366 of this title;

"(2) who, in the case of an officer of the Air National Guard, is federally recognized in the grade of major;

"(3) who is designated under section 8067 of this title; and

"(4) for whom there is no vacancy in that grade in his unit;

may be retained in that grade in his unit until he is promoted to the reserve grade of lieutenant colonel.

"(c) An officer of the Air National Guard covered by this section may be federally recognized, and retained as provided in this section, in the grade of captain or major, as the case may be, regardless of the existence of a vacancy in that grade, or in any higher grade, in his unit."; and

(B) by adding the following new item at the end of the analysis thereof:

"8396. Officers promoted under section 8366 of this title: retention in unit."

(52) Section 8494 is amended by adding the following new sentence at the end thereof: "However, a reserve commissioned officer who is selected for participation in a program under which he will be ordered to active duty for at least one academic year at a civilian school or college may, upon his request, be ordered to that duty in a temporary grade that is lower than his reserve grade, without affecting his reserve grade."

(53) Section 8571(a)(3) is amended to read as follows:

"(3) for a reserve officer, precedes his date of entry on active duty by a period computed by adding—

"(A) the years of service after June 30, 1955, while in his current reserve grade or in any higher reserve grade, that are credited to him under section 1332(a)(2) of this title;

"(B) the days and months of any part of the year preceding his date of entry on active duty, while in his current reserve grade or in any higher reserve grade, that are not credited to him under clause (a), if under regulations to be prescribed by the Secretary of the Air Force, his service during that part of a year was satisfactory;

"(C) the periods of active service, while in his current reserve grade or in any higher reserve grade, that are not credited to him under clause (A) or (B);

"(D) the periods of service, while in his current reserve grade or in any higher reserve grade, that he has performed under section 502, 503, 504, or 505, of title 32, and that are not credited to him under clause (A) or (B); and

"(E) one day for each point for drill or equivalent instruction after June 30, 1955, while in his current reserve grade or in any higher reserve grade, that is credited to him under section 1332(a)(2)(B) of this title and not credited to him under clause (A) or (B)."

(54) Section 8819(a) is amended to read as follows:

"(a) Except as provided by sections 1005 and 1006 of this title, each second lieutenant of the Air Force Reserve shall, if he is found not qualified for promotion before he completes three years of service, computed under section 8360 of this title, in that grade be discharged from his reserve appointment within 90 days after completing that service."

(55) Sections 8841 and 8842 are repealed.

(56) Section 8844 is amended—

(A) by amending the catchline to read as follows:

"§ 8844. Age 62: reserve major generals, except those covered by section 8845 of this title"; and

(B) by striking out the words "the Chief of the National Guard Bureau" and inserting the words "an officer covered by section 8845 of this title" in place thereof.

(57) Section 8845 is amended—

(A) by amending the catchline to read as follows:

"§ 8845. Age 64: Chief of National Guard Bureau; adjutants general"; and

(B) by inserting the words "adjutant general of a State, or Territory, Puerto Rico, the Canal Zone, or the District of Columbia" after the words "National Guard Bureau".

(58) Section 8847 is amended to read as follows:

"§ 8847. Twenty-five years: female reserve officers below lieutenant colonel, except those designated under section 8067 (a)–(d) or (g)–(i) of this title; Air Force nurses and medical specialists

"(a) Each female commissioned officer, and each Air Force nurse or medical specialist, who is in an active status in a reserve grade below lieutenant colonel, except an officer whose name is on a recommended list for promotion to that reserve grade, shall, 30 days after he completes 25 years of service computed under section 8853 of this title—

"(1) be transferred to the Retired Reserve, if he is qualified and applies therefor; or

"(2) if he is not qualified or does not apply therefor, be discharged from his reserve appointment.

"(b) This section does not apply to female commissioned officers who are designated under section 8067 (a)–(d) or (g)–(i) of this title."

(59) Section 8848 is amended to read as follows:

"§ 8848. Twenty-eight years: reserve first lieutenant, captains, majors, and lieutenant colonels

"(a) Each officer in an active status in the reserve grade of first lieutenant, captain, or major, except an officer covered by section 8847 of this title, and each lieutenant colonel who is not on a recommended list for promotion to the reserve grade of colonel, shall, 30 days after he completes 28 years of service computed under section 8853 of this title—

"(1) be transferred to the Retired Reserve if he is qualified and applies therefor; or

"(2) if he is not qualified or does not apply therefor, be discharged from his reserve appointment.

"(b) Notwithstanding subsection (a), an Air Force nurse or medical specialist who is in the reserve grade of lieutenant colonel, or a female officer who is not designated under section 8067 (a)–(d) or (g)–(1) of this title and who is in the reserve grade of lieutenant colonel, may, in the discretion of the Secretary of the Air Force, be retained in an active status if he would otherwise be removed from an active status under subsection (a). An officer may not be retained in an active status under this section later than 30 days after he completes 30 years of service computed under section 8853 of this title."

(60) Section 8849 is repealed.

(61) Section 8851 is amended by striking out the words "After June 30, 1960," and inserting the words "Except for the adjutant general or assistant adjutant general of a State or Territory, Puerto Rico, the Canal Zone, or the District of Columbia", in place thereof.

(62) Section 8852(a) is amended by striking out the words "After June 30, 1960," and inserting the words "Except for the adjutant general or assistant adjutant general of a State or Territory, Puerto Rico, the Canal Zone, or the District of Columbia", in place thereof.

(63) Section 8853(2) is amended by striking out the words "federally recognized National Guard before June 15, 1933," and inserting the words "National Guard" in place thereof.

(64) The analysis of chapter 863 is amended by striking out the following items:

"8841. Age 50: female reserve nurses and medical specialists below major.

"8842. Age 55: female reserve nurses and medical specialists above captain.

* * * * *

"8844. Age 62: reserve major generals, except Chief of National Guard Bureau.

"8845. Age 64: Chief of National Guard Bureau.

* * * * *

"8847. Twenty-five years: female reserve officers below lieutenant colonel, except those designated under section 8067 of this title.

* * * * *

"8849. Twenty-eight years: female reserve lieutenant colonels, except those designated under section 8067 of of this title."

and inserting the following items in place thereof:

"8844. Age 62: reserve major generals, except those covered by section 8845 of this title.

"8845. Age 64: Chief of National Guard Bureau; adjutants general.

* * * * *

"8847. Twenty-five years: female reserve officers below lieutenant colonel, except those designated under section 8067(a)-(d) or (g)-(i) of this title; Air Force nurses and medical specialists.".

SEC. 2. Title 14, United States Code, is amended as follows:

(1) Section 772 is amended to read as follows:

"§ 772. Authorized number of officers

"(a) The authorized number of officers in the Coast Guard Reserve in active status is 6,000. The actual number of Reserve officers in active status at any time shall not exceed these authorized numbers unless the Secretary shall determine that a greater number is necessary for planned mobilization requirements, or unless such excess shall result directly from the operation of mandatory provisions of this or other laws.

"(b) The authorized number of officers of the Coast Guard Reserve in active status in each of the grades below the grade of rear admiral shall be a percentage of the total authorized number of such officers in active status below the grade of rear admiral, and shall be 0.6 percent in the grade of captain, 6.0 percent in the grade of commander, 22.5 percent in the grade of lieutenant commander, 37 percent in the grade of lieutenant, and 33.9 percent in the combined grades of lieutenant (junior grade) and ensign, except that when the actual number of Coast Guard Reserve officers in an active status in any grade is less than the number which is so authorized, the difference may be applied to increase the authorized number in any lower grade or grades. No Reserve officer shall be reduced in rank or grade solely because of a reduction in an authorized number provided in this subsection. The authorized number of Coast Guard Reserve officers in an active status in the grade of rear admiral shall be two.

"(c) The Secretary may determine the number of Reserve officers in each grade who may be promoted annually under the provisions of this subchapter. The number which shall be so determined for each grade shall be the number deemed to be necessary to provide equitable opportunity for promotion among succeeding groups of Reserve officers and an adequate continuing strength of Reserve officers in an active status, and shall not cause the number of Reserve officers in active status in any grade to exceed the number authorized in this section for that grade."

(2) Section 773 is amended by striking out the words "who holds no appointment as a commissioned officer of the Armed Forces".

(3) Chapter 21 is amended by inserting the following new section after section 787:

"§ 787a. Excessive number; elimination from active status to provide a flow of promotion

"(a) Notwithstanding any other provisions of this title, whenever the Secretary shall determine it to be necessary to provide a steady flow of promotions or that there is an excessive number of Reserve officers in an active status in any grade who have at least 30 total years of service or at least 20 years of satisfactory Federal service under section 1332 of title 10, United States Code, he may convene a board which shall consider all such Reserve officers of that grade in an active status not on active duty who have that service. The Secretary shall direct the board to select and recommend by name a specified number of such officers for retention in an active status.

"(b) The Secretary may in the case of an officer not recommended for retention in an active status under subsection (a) of this section—

"(1) Transfer the officer to the Retired Reserve if he is qualified and applies for transfer;

"(2) Transfer the officer to the Inactive Status List, if qualified; or

"(3) Discharge the officer."

(4) The analysis of chapter 21 is amended by inserting the following new item between items 787 and 788:

"787a. Excessive number; elimination from active status to provide a flow of promotion."

SEC. 3. That part of section 20 of the Act of September 2, 1958, Public Law 85-861 (72 Stat. 155a) preceding the table therein is amended to read as follows:

"SEC. 20. A reserve commissioned officer of the Army who on July 1, 1955, was in a reserve grade listed in the following table may not be promoted for the first time under any one of sections 3366, 3367, 3370, and 3371 of title 10, United States Code, until he completes the service prescribed for that grade by the following table:".

SEC. 4. (a) Notwithstanding any other provision of law, sections 3847, 3848, 3851, 3852, 8847, 8848, 8851, and 8852 of title 10, United States Code, become effective on January 1, 1962, with respect to officers of Army Reserve and Air Force Reserve units organized to serve as a unit and officers of the Army National Guard of the United States (other than officers in the inactive Army National Guard) and Air National Guard of the United States (other than officers of the inactive Air National Guard), and on July 1, 1960, with respect to all other reserve officers of the Army or the Air Force.

(b) Section 21 of the Act of September 2, 1958, Public Law 85-861 (72 Stat. 1560), is amended—

(1) by striking out the words "July 2, 1960" wherever they appear therein and inserting the words "January 1, 1962, with respect to officers of Army Reserve units organized to serve as a unit and officers of the Army National Guard of the United States, and July 2, 1960, with respect to all other Reserve officers of the Army", and

(2) by adding the following new subsection at the end thereof:

"(g) Subsection (a) and (b) of this section do not apply to any Reserve officer of the Army who is a civilian employee of the Army National Guard."

SEC. 5. Section 22 of the Act of September 2, 1958, Public Law 85-861 (72 Stat. 1560), is amended by striking out the words "and who was not a commissioned officer of an armed force" and inserting the words ", or who was transferred to a special branch of that Corps in the lowest grade of that branch or Corps" in place thereof.

SEC. 6. Notwithstanding any other provision of law except section 1001 of title 10, United States Code, the discharge or transfer to the Retired Reserve (because of his age or length of service) of any reserve officer of the Army who—

(1) was originally appointed as a reserve officer before the enactment of the Reserve Officer Personnel Act of 1954; and

(2) but for the operation of section 3853(2) of title 10, United States Code, could have completed 20 years of service computed under section 1332 of that title;

is deferred until he completes that amount of service or until he becomes 60 years of age, whichever is earlier.

SEC. 7. A reserve officer who is designated as an Air Force nurse or medical specialist, or female reserve officer of the Air Force (other than an officer designated under section 8067 of title 10, United States Code), who, after June 30, 1955, and before the enactment of this Act, received a temporary appointment under section 8442 of that title, in a grade higher than his reserve grade may, if he applies within one year after the enactment of this Act, be promoted to a reserve grade equal to that temporary grade if he is otherwise eligible for promotion to that grade under section 8363(a) of that title.

SEC. 8. Section 29(a) of the Act of August 10, 1956, chapter 1041, as amended (5 U.S.C. 30r), is amended by striking out the words "calendar year" wherever they appear therein and inserting the words "fiscal year" in place thereof.

Mr. RIVERS of South Carolina (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD, considered as read and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, 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. 8186) to amend titles 10 and 14, United States Code, with respect to Reserve commissioned officers of the Armed Forces, pursuant to House Resolution 324, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to permit the enrolling clerk to correct any typographical errors that may have occurred in the printing of H.R. 8186.

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

There was no objection.

IMPROVING ACTIVE DUTY PROMOTION OPPORTUNITY FOR CERTAIN AIR FORCE OFFICERS

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8189) to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major.

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. 8189 with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the bill before the House today is temporary legislation expiring June 30, 1961, which would authorize the Air Force to exceed the total

number of majors serving on active duty by 3,000, over and above the number authorized by the Officer Grade Limitation Act of 1954. You will recall that this act limits the number of officers who may serve in the grade of major and above depending upon the total number of officers serving on active duty. Based on an officer strength of approximately 126,000 at the end of fiscal year 1961, there will be about 23,000 majors authorized on active duty in the Air Force.

Under the Officer Personnel Act, at least 80 percent of the Regular officers must, and I repeat must, be promoted to the grade of major upon the completion of 14 years of promotion list service.

This bill will permit Reserve captains serving on active duty to have a similar opportunity for promotion to the grade of major for pay purposes upon the completion of 14 years of active duty. Without the proposed legislation, only 2,000 Reserve officers serving in the grade of captain could be promoted to the grade of major by June 30, 1961. With the enactment of this bill, approximately 5,000 Reserve captains may be promoted to the grade of major by that time.

All of the officers concerned are serving on active duty as captains and will have by June 30, 1961, 14 years or more of active duty. In addition, all of them will have been promoted to major in the Reserve, but will be serving on active duty as and drawing the pay of a captain.

This bill is urgently needed by the Air Force in order that the promotion opportunity for these Reserve captains will be comparable to the promotion opportunity afforded Regular captains.

The Air Force is desirous of keeping these officers on active duty, because their services and experience are badly needed. Most of these officers are pilots in the Strategic Air Command, Military Air Transport Service, Special Air Missions, Air Defense Command, and Tactical Air Command—the combat forces of the Air Force.

From the viewpoint of equity, it is not fair for a Reserve captain on active duty in the Air Force to have to serve longer than a Regular captain before being promoted or to have less opportunity for promotion.

As I pointed out before, this is temporary legislation and will expire on June 30, 1961. The differences in authorized grade distribution for the several services, coupled with the changing grade requirements which have developed over the past several years, makes necessary a complete reevaluation of existing grade authorizations. The Department of Defense will conduct this reevaluation and submit recommended changes by June 30, 1961.

It should be noted that this bill will not increase retirement costs in any manner whatsoever since all of the Reserve officers who will be promoted to the grade of major on active duty now hold the grade of major as Reserve officers and, upon the completion of 20 years of active duty, will qualify for retirement pay in this grade, unless promoted to a higher grade. In addition, this legislation will not increase the active duty strength of the Air Force, nor will it accelerate promotions in the grade of captain or lieutenant.

I am convinced that the enactment of this bill is essential in order to equalize the promotion opportunities between Reserve and Regular Air Force officers and that should it not pass, the Congress will be unable to explain the resulting inequities to the Reserve officers whom the Air Force will be unable to promote.

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

Mr. RIVERS of South Carolina. I yield.

Mr. GROSS. What happens to this compression after 1961; does the gentleman have any idea? This relieves compression now, does it not?

Mr. RIVERS of South Carolina. It relieves the compression now. They will conduct a study and at that time the committee will take the matter up and try to resolve it. What will happen in 1961 by the action of the committee, I do not know, but they are to come up with a concrete proposal to cure any future difficulty that may arise in any grade of officer strength, whether it is lieutenant, captain, major, lieutenant colonel or colonel, whatever it may be.

Mr. GROSS. But the gentleman does expect that we will be confronted with an extension of this legislation in 1961?

Mr. RIVERS of South Carolina. I doubt it, but I cannot make a prediction at this time. However, I do not think we will.

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

Mr. RIVERS of South Carolina. I yield.

Mr. VANIK. Will this legislation take care of the hump in the Navy that we talked about a short time ago?

Mr. RIVERS of South Carolina. No; this has nothing to do with that. This legislation applies the 80 percent to the Reserve just as the law requires that it apply to the Regular force in the grades that I have discussed.

Mr. VANIK. Is there no problem of a hump in the Air Force?

Mr. RIVERS of South Carolina. There is a problem of a hump there, but it is a different kind. We have a bill dealing with that before the other body now, and we are hopeful that that will be passed.

Mr. VANIK. That is a separate piece of legislation?

Mr. RIVERS of South Carolina. Yes. This is a bill that applies to the Reserves.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, H.R. 8189 authorizes the Air Force to exceed the strength limitation, in the grade of major, between now and June 30, 1961, by not more than 3,000 officers.

Under existing law the Air Force may only have 23,000 majors serving on active duty. Under the proposed legislation, the Air Force will be permitted not to exceed 26,000 majors on active duty between now and June 30, 1961.

The necessity for the legislation is due to the fact that the Officer Grade Limitation Act places a limitation on the number of officers who may serve in the grade of major proportioned to the total number of officers serving on active duty.

The 3,000 officers who will be promoted from the grade of captain to the grade of major are Reserve captains now serving on active duty.

These officers are all majors in the Reserve but their active duty grade is that of a captain.

In other words, they can only draw the pay of a captain and wear the insignia of a captain while serving on active duty even though they have been selected to the grade of major in the Reserve.

In addition, these officers now have, or will have by the time they are promoted, over 14 years of active duty.

Not less than 80 percent of the Regular Air Force captains must be promoted to the grade of major under existing law when they have completed 14 years of promotion list service.

Thus, the proposed legislation will give these Reserve captains an opportunity to have the same promotional chances as their counterparts in the Regular Air Force.

There are 6,400 Reserve captains serving on active duty who now have or will have 14 years of active duty by June 30, 1961. Without the proposed legislation only 2,000 can be promoted to the grade of major.

With the proposed legislation approximately 5,000 Reserve captains will be promoted to the grade of major.

The bill will cost $852,000 in fiscal 1960, which will be absorbed in this year's appropriation. In fiscal 1961 the bill will cost $2,130,000, for which the Air Force will request funds.

It should be emphasized that the bill will not permit the Air Force to have 3,000 more officers; it will merely permit the Air Force to promote 3,000 more captains to the grade of major. This accounts for the cost of the proposed legislation.

A captain promoted to the grade of major receives $45 more in basic pay and $15 more in flight pay, for a total increase in salary of $60 a month.

The proposed legislation will not increase the total number of officers on active duty, nor will it accelerate the promotion of first lieutenants to captain.

Likewise, it will not affect retirement costs, since these officers are now majors in the Reserve and will upon retirement retire in the highest grade satisfactorily served.

Mr. Chairman, I have no further requests for time.

Mr. RIVERS of South Carolina. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of enactment of this Act and ending at the close of June 30, 1961, any authorized strength prescribed for the grade of major by or under section 8202 of title 10, United States Code, may be exceeded by not more than three thousand.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. SISK, 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. 8189) to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major, pursuant to House Resolution 325, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

REGULATION OF SAVINGS AND LOAN HOLDING COMPANIES

Mr. SPENCE. 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. 7244) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

The SPEAKER. The question is on the motion of the gentleman from Kentucky [Mr. SPENCE].

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. 7244, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill will promote and preserve the local management of savings and loan associations by protecting them against encroachment by holding companies. The holding company has grown greatly in the last few years. Heretofore, almost all the savings and loan associations were mutual companies. They were locally managed and locally owned. They had the interest of their communities at heart. They were held in peculiar affection by the people because of the services they rendered to them. Almost all their funds were invested in homebuilding and in homeownership. Because of the standing they had in the estimation of the people, they had certain privileges. But, recently, after the passage of the Bank Holding Act, there has been a great activity in savings and loan holding companies. I think 2 or 3 years ago there were but two holding companies controlling savings and loan associations. Now, there are about a dozen holding companies. They have changed the whole concept of the savings and loan program. I do not say all the holding companies are controlled by men who do not have the interest of their people at heart, but in many instances the holding companies have made that instrument the means by which they have obtained great fortunes by buying savings and loan associations and selling the stock of the company on the market. It has been a very lucrative field and is growing rapidly.

This bill is designed to prevent the expansion of the holding companies. It is not a punitive bill; there are no criminal statutes involved; there are no punitive provisions. The only method provided in the bill to prevent the expansion of holding companies is by withdrawing from the corporations that they purchase the insurance furnished by the Federal Savings and Loan Insurance Corporation.

The provisions of the bill make it unlawful after enactment of this act for a holding company to acquire two or more savings and loan associations. If in violation of the law they do acquire savings and loan associations against the provisions of the bill the insurance will be withdrawn.

We feel sure that if this method is adopted it will prevent the expansion of these organizations and their continued tremendous growth. Both savings and loan leagues, the National and the United States, are in favor of this bill.

A similar bill was introduced during the last Congress, was reported unanimously by the House Banking and Currency Committee, and I understand the Rules Committee was unanimous in granting a rule for its consideration. It was passed without a dissenting vote by the House. Although the Senate had contemporaneously passed such a bill in the Financial Institutions Bill, they failed to pass the House bill.

I hope the bill will be passed without amendment. I think it will subserve the purpose we want to achieve, and I do not think there can be any valid objection to it even by the holding companies. It has no retroactive effect. What they have they can keep, but they cannot expand in the future.

Not long ago I remember a holding company went into business and in 2 or 3 years it controlled more than half a billion in assets of the corporations it controlled.

The bill provides only that if a holding company owns 10 percent or more of the stock of a savings and loan association it shall be considered to have a controlling interest; or, if the Home Loan Bank Board finds that by other means it might acquire that control the Board can then order it to divest itself of the corporation it has acquired or the Board will discontinue the insurance.

Certainly, there can be no objection to the passage of this bill. It is essential that it should be passed promptly, because the activities of the holding companies are increasing day by day. They have followed the course the banks followed when the Congress was considering the bank holding bill. I hope the Congress will promptly pass this bill in order to prevent this activity which I think is hostile to the best interests of our country, for it means a concentration of economic power which is not good for the economy of America.

Mr. Chairman, I reserve the balance of my time.

Mr. McDONOUGH. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, I cannot disagree with the statement of the chairman of the committee on this bill. I doubt if there is much controversy concerning it.

Some of the pertinent points of the bill are that it prohibits any holding company from acquiring control of two or more savings and loan associations if the accounts of that association are insured by the Savings and Loan Insurance Corporation.

The bill is not retroactive. The bill does not require, as did the bank holding bill which was passed by this Congress previously, does not require any existing holding company to divest itself of its holdings. The bill is similar to a bill that the House passed in 1957 unanimously, but it was not acted upon by the Senate.

Its principal purpose is to prevent, as the chairman has stated, monopoly and control of financial institutions by holding corporations. This is looked upon in certain parts of the United States as very detrimental; in other parts as not so detrimental. Insofar as California is concerned, it has become rather common practice to the extent of the acquisition on the part of certain holding corporations of a large number of savings and loan associations, but in spite of the arguments to the contrary, they have not become monopolistic.

The precaution provided in this bill, however, is undoubtedly a good one and will provide for more individual initiative on the part of savings and loan associations that possess a Federal charter to operate without the possibility of control from outside sources.

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

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

Mr. WIER. May I ask the gentleman, what is the machinery by which this legislation could or would prevent, shall we say infiltration by holding companies and prevent individual officers of holding companies from buying stock in these loan and savings organizations, thereby getting some control of them? How do you stop it?

Mr. McDONOUGH. Does the gentleman mean with this bill?

Mr. WIER. Yes.

Mr. McDONOUGH. The savings and loan associations are not stockholding corporations, therefore you cannot buy into the institution by acquiring a majority of the stock. The savings and loan associations, as the gentleman knows, are shareholding participating organizations in which the depositors are stockholders or shareholders, so that the stock of these Federal savings and loan associations is not on the market for purchase like in State savings and loan associations.

Mr. WIER. Then how do the holding companies or individuals get any control of these savings and loan associations?

Mr. McDONOUGH. Under State charter they attempt to bring two under one control. This bill provides that shall not happen.

Mr. WIER. This preempts any take all, then?

Mr. McDONOUGH. If the gentleman wants to interpret it that way.

Mr. Chairman, I have no further statement to make except to say that the bill, in my opinion, is well written. Hearings were held on it and all parties were given an opportunity to express their views. One of the most pertinent statements in the hearings is from the legislative chairman of the United States Savings and Loan Association, which would be affected by this legislation. They came to the committee and urged passage of the bill.

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

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

Mr. HOLIFIELD. Could my colleague tell me if this bill is the same one that was passed, I believe it was 2 years ago, by the House?

Mr. McDONOUGH. Yes; it is identical with that bill.

Mr. HOLIFIELD. It is identical?

Mr. McDONOUGH. Yes.

Mr. HOLIFIELD. The Home Loan Bank Board made certain recommendations in the way of amendment. As I understand it, those amendments were not agreed to by the committee; is that correct?

Mr. McDONOUGH. They were not taken up by the committee.

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

Mr. McDONOUGH. I yield to the gentleman from Kentucky.

Mr. SPENCE. The Home Loan Bank Board feels that this legislation is very necessary. They wanted a bill immediately to cope with the situation. Their members came to me, speaking for the Board, and said they were willing to forego their amendments in order to get a bill through this session.

Mr. HOLIFIELD. I appreciate the gentleman's answer to my question. I have studied the amendments which the Home Loan Bank Board recommended. I had some grave doubts as to the wideness of scope of some of the language of certain of the amendments. I am very pleased that the committee has not at this time accepted the amendments and has agreed to hold them for further study. I compliment the committee for bringing forth the bill as it is now written.

Mr. SPENCE. They wanted a bill immediately.

Mr. HOLIFIELD. I understand there is an urgency to get a bill through prohibiting further holding company formations. Is that not true?

Mr. McDONOUGH. That is correct.

Mr. HOLIFIELD. I thank the gentleman.

Mr. McDONOUGH. As the gentleman understands, this is not retroactive and any pending consolidation is not affected; it is only if eventually the consolidation becomes effective after the enactment of this act.

Mr. HOLIFIELD. This does not have any effect on an individual building and loan association acquiring branches where those branches are approved either by the State comptroller of charters or by the Federal Comptroller of Charters.

Mr. McDONOUGH. No.

Mr. HOLIFIELD. I thank the gentleman.

Mr. McDONOUGH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. WILSON].

Mr. WILSON. 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. WILSON. Mr. Chairman, we are asked today to vote on this proposed legislation which has as its purpose the elimination of holding companies in the savings and loan field. Obviously, this legislation is intended to prevent the repetition of events which occurred back in the twenties when holding companies were more actively involved in our commercial banking enterprise. At that time legislation was enacted to prevent monopoly control.

The irony here is that 95 percent of existing savings and loan associations are mutually owned and therefore cannot become properties of holding companies. The remaining 5 percent, located in 13 of our States, are the ones this legislation is supposed to protect. Obviously, these percentages clearly indicate that a monopoly of the savings and loan field is out of the question.

Much can be said about the value of holding companies in this field. One of the real problems involved today in this field is the lack of able management. This situation exists because of the vast expansion experienced by savings and loan associations which has been so rapid that efficient management is not readily available. Holding companies are in a position to develop management talent for their member associations.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and if they be out of order, to speak out of order.

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

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, the labor bosses are telling us to vote as they direct, or "else." Now, that might seem to be out of order, that subject, but there is no use, as was said last week, of having bankers or banks if someone else—goons, for example—are to run the country, if Congress is not to make the laws.

Last week it was my privilege to put into the RECORD articles from Life and also from Time in which it was asserted that one of Hoffa's attorneys, a Mr. Zagri, was intimidating Members of Congress. He objected to that. A Michigan representative of Hoffa's district, Jack Thorp, a Republican, has been in my office half a dozen times, and he three times brought in this same attorney. I thought the attorney Mr. Zagri was a fair sort of a fellow with an almost complete knowledge of labor legislation. I finally induced Mr. Thorp, who was Hoffa's representative—and there happened to be a reporter there then—to say exactly what action he wanted; what Hoffa wanted in the way of legislation. And, not too greatly to my surprise he said they did not want any legislation. None at all. But apparently he is reconciled to the idea that they are going to get some, and of course, whether the people get what they are entitled to have will be determined in the next few weeks.

But at that time Mr. Zagri complained very, very bitterly about the statements in these two magazines. And, inasmuch as I was putting them in the RECORD I asked him why; whether he had been intimidating Members of Congress. He said no, he had not. And, he asked these representatives, the reporters from Time and Life he said, to each of them, "You cite one single instance where I have gone to any Congressman and demanded that he do this, that, or the other."

Well, of course, he never asked anything of me, because he knows I have nothing to sell. He also knows I am under no obligation to Hoffa. Others may be. I have no knowledge on that. I sugested this—I said, "Well, if you talk to these Congressmen, maybe you feel that they are under obligation." He said, "Not one of them, and neither of these reporters nor any one of the representatives of those two publications have ever been able to cite a single instance where I have made threats or improper demands." He complained about some Congressman—and sometimes I may have—not going along, but in my judgment there will always be Members who have views to the right and to the left. It is no concern of the rest of us if they vote their sincere views as I assume they do, nor how they vote.

I remember a couple of Congressmen who went along with labor unions when it was a rather hot subject in Michigan. I never felt justified in criticizing them, because if I did, maybe they would not have remained here, and maybe you would have had some in their districts who were worse if judged by your standards or by mine. In any event, who is always right? I remember a Member on the Democratic side—a fine gentleman here—who went along with labor bosses from Detroit, and the first thing he knew the unions put in a candidate against him in the primaries. This Member had been fair, he had so much ability and integrity and common decency that there was no comparison at

all. Do you get the point? I would rather have someone who was sincere and honest and had the welfare of the country as a whole at heart than somebody who is a political stooge.

Why they pick on Hoffa all the time I do not know. Have the others been forgotten because of the political issue? Here is Reuther. He has been the head of an organized group which has carried on most violent practices for the last 18 years, and for some 37 years John L. Lewis has advocated force and violence in connection with his disputes. He has no respect for law where his unions are at stake. Was he not fined for illegal activities?

Away back in 1922 he caused 22 men to be killed, 6 of them dragged behind automobiles, just by sending a telegram to the president of one of his locals in Herrin, Ill. And he has kept on, right through the years, without any gaps, in the same way.

And recently the operator of a mine was killed, the driver of a truck was killed, in a strike with Lewis' union. So, before the Committee on Education and Labor, I went to the trouble of asking John L. Lewis about the Herrin incident, in bloody Williamson County, in Illinois.

And he said, "What has that got to do with it? It is not relevant, it is not pertinent." I said, "All right, now, wait a minute." He objected, to the chairman. I said, "When we start back 37 years ago and trace a course of violence, beatings, and murder right down to within 2 weeks."

Did you notice the papers lately? Three of those fellows have been sent to the penitentiary. Does it not prove anything?

The record shows we need law to protect us against men like Lewis.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOFFMAN of Michigan. I thank the gentleman. You could not finish this in an hour nor in a week and we are working so hard on this banking bill, maybe it will do all of us a little good to hear this. A little recess, so to speak. Think of this labor issue, because it is coming up pretty soon. We are to find in the next few weeks whether the labor bosses are writing legislation or whether it is written here in the Congress. That is one of the issues; that is the big issue of today—who is to write this labor legislation? Will it be Hoffa, Reuther, John L. Lewis? Or will the people, through their Representatives, write it.

Now I will get back to Lewis. Surely, he has been good for the coal industry workers at the expense of all the rest of us. And when he testified over there he said we did not need any legislation. That gives you a fair idea of his thinking. Violence, beatings, murders, destruction of property—but no Federal legislation needed. That is Lewis.

Now about Meany, what did he say? I said to him, "Don't you think we should have legislation which will prohibit strikes in public utilities?" We have it in Michigan. It has been affirmed by the U.S. Supreme Court. It is legal, it is good. It has proved to be good up there. I said to Meany, again on the witness stand, "Do you favor it?" And he said, "Yes." Why can we not get it? I have had a bill in for the Lord knows how long, but I cannot get any action on it. On what? On legislation which prohibits strikes in connection with public utilities. You know what that means.

Let me tell you about what Hoffa is putting out. We have one or two good Republicans in Michigan yet. Hoffa got this put out and sent to his members, the Teamsters Union, and a couple sent it on to me. The Teamsters sent a postal card with the address on it and with the other side left blank for the message to be written on in pen or pencil. A couple hundred of the cards came in over Saturday and Sunday. Mailed from where? Some of them from the local communities, some from Detroit. I do not know how the voters of the Fourth District got down to Detroit to mail those cards. But what does Hoffa say?

SUGGESTIONS THAT MAY BE USED FOR A MESSAGE TO YOUR CONGRESSMAN

(Use any one of the following or write in your own words so long as you get across the idea that you are opposed to one of the four (4) issues listed in the letter because of what they will do to you.)

Dear Sir—Dear Congressman—Mr. Congressman—or any other salutation, or none.

I am opposed to being made a strike breaker by law. Vote against so-called hot cargo ban.

(NOTE.—Sign your name and address.)

Secondary boycotts as such means I can't support other workers who have trouble with their boss. Vote no against such a labor bill.

(NOTE.—Sign your name and address.)

According to the newspapers Congress is about to ban hot cargo protection in my union contract. Vote against this as I do not want my personal rights or beliefs taken away by any such law.

(NOTE.—Sign your name and address.)

Vote no against so-called hot cargo, secondary boycott, or organizational picketing bans. These will break labor's back. I understood you were a friend of labor. I hope I am not wrong.

(NOTE.—Sign your name and address.)

FOR VETERANS TO USE IF THEY DESIRE

I fought in a war to preserve our individual rights and prerogatives—why take them away from us because we belong to a union by making it illegal for my union to protect and back me up for refusing to handle goods through a picket line.

(NOTE.—Sign your name and address.)

We just got through defeating some dictators in Europe, why set up a labor czar with unlimited power to break up unions under the disguise of needed labor reform legislation. Urge you to oppose such provisions in any labor bill. The Kennedy-Ervin bill and other like proposals are designed to destroy labor unions. Sincerely hope you do not aid and abet that type of thinking.

(NOTE.—Sign your name and address.)

Workers whose boss refuses to recognize their union should not be deprived by law of being able to advertise by picketing such facts. Bans against organizational picketing will have the effect of stopping the growth of unions. Hope you will oppose any such provisions in the contemplated labor bill.

(NOTE.—Sign your name and address.)

I urge you to vote against antilabor and anti-Teamster legislation as is being proposed in Congress according to the newspapers. My labor representatives have stated my position. Hope you will go along with us. Time will tell.

(NOTE.—Sign your name and address.)

(Be sure the member signs his name and address to his post card.)

I am not going to vote for any bill that does not carry the three provisions. What is the use? All three are necessary.

I had the privilege of getting in on the tail end of Bob Kennedy's appearance yesterday. He did a good job, a wonderfully fine job. So far as I heard, he did not say a word about the Kennedy bill. And he did not say anything about Reuther. It was all Hoffa. I do not know why they just confine so much of it to Hoffa, unless it is in view of the fact that he is going to put up $9 million to convert those who oppose him?

There are some like my good friend from Texas, who is all for the farmer, if it is tobacco and rice or cotton. Hoffa is all for the teamsters, if they belong to his union, and he does not care a tinker's darn about the rest of our people.

Next week we are to find out, on both sides of the aisle, who is bossing whom. That is what we are going to do in the next few weeks. Where will each of us stand? How will we vote? The RECORD will show if I have my way.

And if Bob Kennedy will stay on TV, somebody must get me a couple more secretaries to answer the letters that I will be getting. And if he stays on and talks, as he talked yesterday, we will have, the people will have, labor legislation that is worthwhile.

I do not know whether that will suit the Humphrey supporters or the Stevenson boys or the Johnson people —or any of the many candidates. I do not know about that, but I do know, I am sure, certainly, it will not suit—well, yes, we are all for it; are we not—not for the Kennedy bill but for good legislation—at least by our words. It will certainly give us what the people want—fair, decent legislation which will protect not only the workers but the public at large.

I thank the gentlemen for giving me the time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak out of order.

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

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I have been interested today sitting here listening to several speeches about labor. I thought maybe we might balance up the record a little bit. We have heard something about people being killed as

a result of labor leaders and labor organizations and so forth. I thought we might talk for a few minutes about some of the people who have been killed by management. In the first place, I remember when I started to work as a young lad of 14 I worked 10 or 12 hours a day for 10 cents an hour. I worked 6 days a week and I worked without any kind of sick benefits or any hospitalization benefits, without any vacations and without decent working conditions. I worked in the sweatshops, in the textile sweatshops, in several States. This was long before the days of organized labor and before collective bargaining was recognized as being the right of a human being. This was when labor was sold on the market as a commodity without any kind of protection.

Mr. HOFFMAN of Michigan. Pardon me, Mr. Chairman, will the gentleman yield for one question.

Mr. HOLIFIELD. I decline to yield. The gentleman had 10 minutes and I have only 5 minutes.

Mr. HOFFMAN of Michigan. But this interests me. Will the gentleman yield for just one question?

Mr. HOLIFIELD. I decline to yield. I have heard the gentleman many, many hours and listened to him speaking for many hours and I have never interrupted him. I hope he will just sit down and listen to just a few pearls of wisdom from his friend and fellow member on the Committee on Government Operations.

Mr. HOFFMAN of Michigan. I would if they were available.

Mr. HOLIFIELD. Thank you, sir—as to whether they are available or not, we will let the audience estimate their value.

Mr. Chairman, I can remember back when workingmen who tried to strike against the conditions I just mentioned were shot down in cold blood. I will give you the name of some of the great strikes that have occurred in history where human beings were shot down by machineguns and beaten to death with blunt instruments and all sorts of weapons. If I fail to remember some of them, I hope my friend the gentleman from California [Mr. COHELAN], who has had experience in the trade-union movement, will prompt my memory.

I can look back at the Ludlow Massacre in Colorado where in the iron mine strike in Ludlow, Colo., several men, women, and children were shot down by the company-hired strikebreakers, the National Guard, and the Pinkerton Agency, an agency which has been completely eliminated now as a strikebreaking entity. You do not hire a strikebreaker today like you did in the old days to commit violence on the workers.

There was the Haymarket strike in Pennsylvania where a number of men were shot down by the employers and their hired gunmen and goons.

There was the great Pullman strike in 1894.

Will my friend prompt me? Can he think of any other famous strikes in history where many people were killed?

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

Mr. HOLIFIELD. I yield to my colleague.

Mr. COHELAN. I would remind the gentleman there were some very, very great organizational activities in the period of the thirties just following the passage of the Wagner Act and during the time of the great Franklin Delano Roosevelt. In that great period, which has been characterized by some historians as the period of relief, recovery, and reform, we first had some labor legislation which created a political environment which permitted trade unions to function effectively in this country. It was only a short 10 years later the Taft-Hartley Act was passed. But, I would remind the gentleman in this Committee that in that period from 1932 to 1940, there was an intense organizational activity in this country. There was a very dreadful struggle between labor and management, and it was not a happy chapter in the history of this country. Scholars are in agreement that the history of labor-management relations in the United States is one of the most violent in the history of labor movements in the world. This period was no exception.

Mr. HOLIFIELD. Is it not true that many, many men lost their lives on the picket lines while they were striking to better their working conditions, as a result of actions of the employers and their hired goons?

Mr. COHELAN. I would call attention to the events in the Ford strike in the late thirties. Mr. Ford's security organization is recalled. I would also call attention to the little steel strike in the thirties. The record, may I say to my distinguished colleague, the gentleman from California, is replete with evidence of violence on the part of management. May I say while I have the opportunity, any violence on the part of organized labor is to be deplored. What we seek as Members of this great body on the eve of our consideration of so-called labor reform legislation is to adopt fair legislation which will eliminate so far as possible the crooks and racketeers from the labor movement. It is to be hoped that this great opportunity to improve and to help one of our great social institutions will not become a punitive expedition by the implacable enemies of the labor movement and free collective bargaining. Certainly it is to be hoped that as we approach this time when we are to consider a very important piece of legislation in the field of labor-management relations we can do so calmly.

Mr. HOLIFIELD. I thank the gentleman for his contribution. I just thought that the RECORD should show the other side of the picture, that it is not a one-sided picture.

Mr. Chairman, in this extension of my remarks I wish to correct a mistake in location of the Haymarket strike. I had in mind the Homestead Steel strike in Pennsylvania and inadvertently located the Haymarket strike which occurred in Illinois as occurring in the State of Pennsylvania.

Mr. Chairman, I certainly do not condone violence, mayhem, or murder on the part of either labor or management. I only speak at this time on the behalf of balancing the record. There is an old adage that says "the pot should not call the kettle black" and our industrial history will show that black crimes of violence have been committed by both management and labor. I believe the record will also show that there have been fewer crimes of violence committed since the passage of the Wagner Act in 1935–37 than occurred in the dark decades of violence when labor was denied the right to strike, picket, and bargain collectively.

Mr. McDONOUGH. Mr. Chairman, I have no further requests for them.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the National Housing Act, as amended (12 U.S.C., sec. 1724 et seq.), is amended by adding at the end thereof the following new section:

"REGULATION OF HOLDING COMPANIES

"SEC. 408. (a)(1) As used in this section, the term 'company' means any corporation, business trust, association, or similar organization, but does not include the Federal Savings and Loan Insurance Corporation, any partnership, or any company the majority of the shares of which is owned by the United States or by any State.

"(2) As used in this section (except when used in subsection (f)), the term 'stock' means nonwithdrawable stock, underlying ownership stock other than mutual shares in a mutual institution, permanent stock, guaranty stock, or stock of a similar nature (as defined by the Federal Home Loan Bank Board by regulation) by whatever name called.

"(3) For the purposes of this section, a company shall be considered as having control of an institution or other organization if such company owns, controls, or holds with power to vote more than 10 per centum of the stock of such institution or other organization, or if the Federal Home Loan Bank Board determines, after reasonable notice and opportunity for hearing, that such company directly or indirectly exercises a controlling influence over the management and policies of such institution or other organization.

"(b)(1) The Corporation shall reject any application made for insurance under this title on or after the date of the enactment of this section if it finds that the applicant is controlled by any company which also controls any insured institution or any other applicant for insurance.

"(2) If an application of any institution for insurance under this title is approved on or after the date of the enactment of this section, and the Federal Home Loan Bank Board subsequently determines, after reasonable notice and opportunity for hearing, that at the time of such approval such institution was controlled by a company which also controlled another insured institution (or another applicant for insurance if the application of such other applicant was approved), the Board shall either—

"(A) terminate the insured status of such institution; or

"(B) require such company, in the manner provided in subsection (e) of this section, to dispose of so much of the stock of such institution, or take such other action, or both, as may be necessary to divest itself of its control of such institution.

If the insured status of an institution is terminated under subparagraph (A), the provisions of section 407 relating to continuation of insurance of accounts, examination by the Corporation during the period of such continuation, final insurance premium, and notice to insured members shall be applicable as though the termination had been ordered under such section 407.

"(c) It shall be unlawful for any company on or after the date of the enactment of this section—

"(1) to acquire the control of more than one insured institution; or

"(2) to acquire the control of an insured institution when it holds the control of any other insured institution.

"(d) Any company may, without regard to subsection (c), acquire stock pursuant to a pledge or hypothecation to secure a loan or in connection with the liquidation of a loan, but it shall be unlawful for any such company to retain for more than one year any control the acquisition of which by such company would, except for this subsection, have been unlawful under subsection (c).

"(e) If, in the opinion of the Federal Home Loan Bank Board, any company holds control of an institution and such control was acquired in violation of subsection (c) or retained in violation of subsection (d), it shall give such company notice that if it does not divest itself of such control within thirty days an action will be brought to force the divestiture thereof. Notice given to such institution shall constitute notice to such company for purposes of the preceding sentence. If such company does not dispose of so much of the stock of such institution, or take such other action, or both, as may be necessary to divest itself of such control within thirty days after the receipt of such notice, the Board shall, without regard to any statute of limitation, institute in the United States district court for the district in which the principal office of such institution is located, and prosecute to final satisfaction, an action to require divestiture of such control. Process in any such action may be served in any district in which such company transacts business or wherever it may be found. The United States district courts shall have jurisdiction of all actions brought under this subsection and, in view of the fact that the questions involved are of general public importance, shall hear and determine such actions with all reasonable promptness. Any such action shall be brought by the Federal Home Loan Bank Board in its own name and may, in the discretion of the Board, be prosecuted through its own attorneys. All expenses of the Board under this subsection shall be considered as nonadministrative expenses.

"(f) It shall be unlawful, on or after the date of the enactment of this section, for any insured institution which is controlled by a company—

"(1) to invest any of its funds in the stock, bonds, debentures, or other obligations of such company or of any other organization controlled by such company;

"(2) to accept the stock, bonds, debentures, or other obligations of such company, or of any other organization controlled by such company, as collateral security for advances made to such company or organization or to any other person; except that such institution may accept, and hold for a period of not exceeding two years, such stock, bonds, debentures, or other obligations as security for debts contracted prior to the acquisition of such control;

"(3) to purchase securities or other assets or obligations under repurchase agreement from such company or from any other organization controlled by such company; and

"(4) to make any loan, discount, or extension of credit to such company or to any other organization controlled by such company.

Except as otherwise provided by regulation by the Federal Home Loan Bank Board, a non-interest-bearing deposit with a bank, to the credit of an insured institution, shall not be deemed to be a loan, discount, or extension of credit to such bank for purposes of this subsection. As used in this subsection, the term 'organization' means a corporation, business trust, association, partnership, or similar organization."

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, just as I was trying to say sometime earlier today, you can fuss around and fool around with this banking legislation and your Home Loan Bank or whatever you call it, and all these lending businesses, but what good does it do you if we are to have the country operated by some of these—and there are only a few of them, a handful or more—crooked union labor leaders?

I put in a privileged resolution asking for information from the Labor Department. I wanted to know the amount of money paid in by the unions through dues and assessments. Under the rules they are supposed to answer such a resolution within 7 days, but they waited 42 days and then they said it would cost too much. I wanted to get the information because amounts paid to unions by the members are tax exempt. I do not know any reason why when you can get $9 million in political contributions to elect Congressmen, with some sort of a disclosure as to how it was spent, there should not be an accounting for $9 million.

These pearls of wisdom that my very beloved friend the gentleman from California [Mr. HOLIFIELD] was giving us—and I sure admire him and recognize his ability and his desire to serve; he has a long and worthwhile record of service here—but those pearls of wisdom that he was putting out to us and to which he said I should listen and which I suggested to him he might take another look were nothing but costume jewelry bought in some 10-cent store.

As for this episode over in Illinois or in Chicago—the gentleman shakes his head. Well, maybe I am wrong; it would not be the first time I had been wrong. Maybe it has something to do with the Whisky Rebellion, but I do not think so. He said the Haymarket strike was in Pennsylvania. I tried to tell him it was in Chicago, but he would not yield. He might have been referring to the Homestead strike which was in Pennsylvania.

Now, he talks about violence on the part of the employers, saying that the employers are always to blame for it; sure, the employer is always to blame. So the union goons are caught in a violation.

I do not say that they, the employers are guiltless; they used to meet violence with violence. If I understand the gentleman from the other body, who is the head of this committee, Senator McCLELLAN, if I understand him correctly he said some few weeks ago that if we go on and do not get a remedy we will have lynch law in this country. Violence will be met by violence.

All this violence the gentleman from California [Mr. HOLIFIELD] talks about; where did it happen? On company property. This strike in the Kohler plant in Wisconsin where there was much violence, where did those men come from who did the beating? They came, most of them, from Michigan—Detroit, and surrounding areas. Mazpy and Gunaca certainly came from Michigan. After all Gunaca did in that Kohler strike, he got back to Michigan and Governor Williams protected him for 4 years. Then he finally was taken back to Wisconsin and what happened? He walked into court and pleaded guilty. The prosecuting attorney recommended probation or some slap on the wrist, but the judge gave him the jail term that he deserved.

Now, do not tell me that the employer is always to blame. He does not travel across the country looking for trouble. It comes to him willy-nilly. The goons deliver it. Sometimes he is, sometimes he is not at fault, but the violence by and large occurs on the property of the employer or on a public street, and it comes from fellows who have been brought in. I have seen some of it. I have witnessed what happened on the picket lines over at Monroe and other places in Michigan. But we will have this whole subject before us this next week or the week after, I hope. Let us get ahead with practical solutions to these problems.

The gentleman said he worked for $6 a week. Bless his dear heart, the first time I worked it was for $6 a week after I had gone through Northwestern University Law School. I wanted to get work, I wanted to get experience. I wanted to learn the law. And none of us on the small wages ever starved to death.

Nor did I ever lose my voice.

And here is something to think about overnight.

Mr. Chairman, to the question, "Who writes our laws?", the answer will come in the next few weeks when Congress passes upon labor legislation now pending which is designed to lessen misuse of union funds, extortion, union practices which deprive the individual worker of his civil rights and adversely affect the public welfare.

The pending worthwhile legislation is opposed by the labor bosses—Reuther, Hoffa, Meany, Lewis, and others.

At the moment, Hoffa and his Teamsters are publicly the most active. They have recently distributed to their members postal cards addressed to Congressmen and accompanied by a mimeographed page which suggests to union members four statements to be used to

pressurize their Congressmen and four additional statements to be used by union members who are veterans.

Evidently in reply hundreds of communications have been received demanding in one form or another that we vote for legislation which will permit unions and their members to refuse to transport or work on merchandise where at any point in its production or transportation there is a strike.

If the Teamsters demand that other employees be permitted to refuse to handle "hot cargoes" was granted, Clark Equipment Company, National Steel, Whirlpool, Malleable, Saranac, any one of the many companies giving employment to so many in Berrien County, could be shut down, closed tight as a drum, if some union anywhere in the country which supplied it with material had a strike, even though Berrien County employees had no grievance. Is it not absurd to grant power to throw union men out of work because somewhere, perhaps hundreds of miles away, there is a labor dispute? That is the hot-cargo issue. Employees must choose officials who are neither selfish nor subversive.

The union leaders insist that we vote for legislation which will permit a boycott. That is, approve any and all efforts to induce workers not to install or repair merchandise which is made or handled by people or organizations against whom there is a strike.

The most prominent recent illustration is that in the Kohler strike where people are urged not to buy Kohler products, workers requested not to install or repair Kohler products. That is the secondary boycott issue.

The union bosses, especially the corrupt ones, insist that they be permitted to force an employer to compel his employees to join a particular union, pay an initiation fee and monthly dues or if the employees refuse, to discharge them. In addition they insist that they be permitted to picket the premises, refuse to deliver necessary materials or merchandise, and boycott the business of any employer who refuses to comply with the demand that he discharge his employees if they refuse to join a certain union, even though no employee wants to join and no election has been held. This is the blackmail or organizational picketing issue.

The union letter which now comes to our desks demands that we ban all legislation which even tends to do away with any of these unjust, un-American practices.

By the use of any one of the above practices, a union could put any individual or business organization out of business.

If Congress refuses to enact the legislation the people demand and employers are forced out of business, will the Reuthers, the Hoffas, the Meanys, the John L. Lewises, give employees a better job?

The mere statement of what a few unions are now demanding provides the answer. My answer is as it always has been: That under no circumstances will I vote for any legislation the purpose of which is to lessen the opportunity for progress and prosperity and which would eventually lead to the destruction of our form of government—which to date, as demonstrated, has given the individual more of the good things he desires than that in any other part of the world.

I will wholeheartedly support any legislation which will protect the worker and benefit all of us.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, 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. 7244) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies, pursuant to House Resolution 323, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

INTER-AMERICAN DEVELOPMENT BANK

Mr. SPENCE. 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. 7072) to provide for the participation of the United States in the Inter-American Development Bank.

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. 7072, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill provides for participation of the United States in the Inter-American Development Bank. The Inter-American Development Bank is the result of long conferences between 20 of the South American Republics and the United States of America. The bill provides for the participation of all these nations in the formation of this bank.

Every republic in South America, Central America, and Mexico are participants. It has been a dream of those people for years that we might have such a financial institution. We have gone into business with these people.

In my opinion, it is more than a bank. I hope it will be an instrument that will stimulate international good will. Long ago we recognized the importance of hemispheric solidarity and the importance of the republics south of us to our national welfare.

Mr. Chairman, in 1823 the Monroe Doctrine was initiated by President Monroe which provided that this Nation should not be subject to future European colonization, or no nation should set up a government in this hemisphere that was inimical to our foundamental principles of freedom for the individual. That doctrine has been in effect ever since.

These nations have agreed to participate in this bank, and the quota of each one is set by the agreement. The United States agrees to invest $450 million in the bank and the other nations jointly agree to invest $550 million in the bank. Our quota is not to be paid immediately, and maybe a large part of it may never be paid. It provides for the payment in the next few years by the United States of $150 million, 20 percent of which or $30 million will be paid on the enactment of the act, and 40 percent will be paid before September 30, 1961, which will amount to $60 million, and $60 million will be paid on or before December 31, 1962. The rest of our quota will be held on call. It may not be necessary to pay it at all. The other nations pay their assessments in the same manner we do. They have to pay one-half of their quota in dollars or gold and, of course, they will pay in dollars the same proportion of their assessments that we have to pay.

The bank is modeled after the International Bank for Reconstruction and Development and is patterned largely in accordance with the Bretton-Woods Agreement. That bank has been in existence for 13 years, and it has done remarkably well. I think we can look with confidence that this bank, if it is managed properly and conservatively, will not only be a savings to the American people, who have to go to the rescue of some of our neighbors when they are in trouble, but I think it will grow in importance and will stimulate the good will between the nations.

The bill providing for this bank passed the Senate 89 to 3, and I am confident that it will pass the House as we have brought it before you, because it is the result of an agreement between the nations. If we make any great change in it or any substantial amendments, the whole work of our neighbors would be ineffectual and would void what we are doing here today.

The International Bank for Reconstruction and Development can do some of the things that we expect this bank to do. It can make some of the loans, but it has not done so. The Latin-American people feel that they have not been given the consideration that should have been given to them in the organizations we have heretofore formed. An expanding economy in South America is of importance to us. Its riches are unknown. It has a potentiality we cannot conceive of. It has produced many

things both in agriculture and in mining that we do not produce. Our export trade with them has grown steadily. Our imports have also grown. It would be to our advantage to see that they have a sound and an expanding economy and that they achieve the goals of better living conditions, gainful employment, and job opportunities.

South America has some classes that are very rich, but it has no middle class. It has a potential labor market that could be useful if employment could be found. The best way we can assist is to join with them in technical assistance and financial aid for the development of their resources. I think this would be of inestimable value to those people and in the long run our Government would not sustain a loss. The formation of this bank may very well inure to the benefit of our economy and to our future prosperity just as it would to theirs.

The trouble with some of the nations south of us is that they have few industries; they have little employment for their people many of whom live in the direst poverty. The poet said:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.

The formation of this bank could have a psychological effect upon our neighbors that would be good.

H.R. 7072 is not a Republican bill. It is not a Democratic bill. The Bretton Woods Agreement was entered into during a Democratic administration. The International Bank for Reconstruction and Development and the International Monetary Fund were adopted under a Democratic administration. This administration has followed the course pursued in those bills and has agreed that this is the best way to meet the problems that present themselves. Honorable Robert B. Anderson, Secretary of the Treasury, has made a very able statement in favor of the bill, as have also Assistant Secretary of the Treasury Upton and Acting Secretary of State Dillon. Honorable Dean Acheson, who was a brilliant Secretary under a Democratic administration, gave a most excellent statement in behalf of the bill. I think you have an opportunity today to do a great service for your country by authorizing the President to accept membership in the bank, and you will be doing an equally great favor to our southern neighbors in ratifying the agreement that we have all entered into. I offer the bill to you with the hope that you will pass it without amendment.

The CHAIRMAN. The gentleman from Kentucky has consumed 18 minutes.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the ranking member of the subcommittee that handled this bill, the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, for years we, here in the Congress, have heard criticism of our foreign aid program and about forcing into the hands of other nations money that they did not want and forcing upon them programs which were not needed in those countries. It seems to me the formation of this Inter-American Development Bank is the beginning of an answer to a question that has been posed by inquiries along that line. Under the terms of this agreement, the 21 American Republics will become members of the Inter-American Development Bank, when they accept and ratify the agreement through legislative action. Let me emphasize this is not a back door approach. We go into this through the appropriations procedure. We all know what is going on.

I would like to call your attention to certain parts of the testimony before our committee because I believe it clearly highlights and brings to a focal point the purpose of this legislation and what is expected from it.

Secretary of the Treasury Anderson testified and said:

The assumption by the Latin Americans of a major responsibility for management, both as lenders and as borrowers, should facilitate the harmonious economic development of all these countries.

The total resources of the Bank will amount to $1 billion, of which $850 million will be the authorized capital stock for its ordinary operations, and $150 million will be the initial resources of the "Fund for Special Operations," which I will discuss presently.

Later in his statement, the Secretary further stated:

The bill which the committee has under consideration contains 5 basic provisions:

(1) It empowers the President to accept membership in the Inter-American Development Bank for the United States in accordance with the agreement.

(2) It authorizes funds for paying our subscription.

(3) It makes provision for the marketing of the Bank's securities in the United States.

(4) The bill provides for giving the Bank the required immunities under American law and establishes the procedure for dealing with such legal disputes as might arise in courts in the United States.

(5) Finally, it provides for coordination of the activities of the U.S. Governor and Executive Director of the Inter-American Bank by the National Advisory Council in the same way as is now provided by law for the U.S. representatives on the International Bank and the International Monetary Fund.

This should be pointed out. The bill authorizes an appropriation of $350 million to pay for our capital stock in the bank.

It also provides the authorization of $100 million without fiscal year limitation for payment of the U.S. subscription to the fund for special operations. On or after the date on which this Government accepts the agreement—and there is a time factor in this—but not later than September 30, 1960, the United States will be required to pay in $30 million to the bank's capital for ordinary operations and $50 million to the Fund.

An additional appropriation of $60 million will be required when called by the bank, but not before September 30, 1961, to make a second payment to the ordinary capital subscription. The third payment will not become due before September 30, 1962, when the third payment of $60 million to the paid-in capital is due.

The bank will not be able to call the second installment of our subscription until 90 percent of the total subscriptions of the membership are paid in. This insures all other nations making their payments. Ninety percent must be paid in before they can call for the second installment; and the United States has an obligation for 41 percent of the first installment; the others have an obligation for 59 percent.

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

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman say 90 or 19?

Mr. WIDNALL. Ninety.

Mr. VANIK. Mr. Chairman, at this point will the gentleman tell the Committee the budgetary impact of this bill?

Mr. WIDNALL. May I sum that up later?

Mr. VANIK. Yes; I will come back to it.

Mr. WIDNALL. Under Secretary Upton appearing before the committee was asked by me:

Mr. WIDNALL. Secretary Upton, what protection would there be against devaluation of the currencies of the various member nations in Latin America? That question is called to mind by the headlines in the paper today about the Argentine crisis.

Secretary UPTON. Yes, sir.

Well, there is a maintenance of value clause which protects against the devaluation of the currency. This provides that in the case of a formal devaluation a change in the par value with the Monetary Fund, the country is required to put in additional currency to make up for that difference.

It also provides that in the event of a significant depreciation of the currency, existing in the opinion of the Directors of the Bank, they may also call upon the country to make up the difference.

The standard of value is the U.S. dollar, of the weight and fineness in effect on January 1, 1959.

Mr. WIDNALL. The United States would not be called upon for an additional contribution as a result of the devaluation of currency?

Secretary UPTON. No. Any country would stand on its own feet with respect to a devaluation of its own currency, and it alone would be called upon to make up the difference between that and its original capital value.

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

Mr. WIDNALL. I yield.

Mr. GROSS. What is the penalty if they fail to conform to the agreement?

Mr. WIDNALL. I believe as a result of the action that undoubtedly would be taken by the other 20 countries they would not be able to participate in the fund.

Mr. GROSS. But that is purely discretionary; there is nothing in the bill to compel it.

Mr. WIDNALL. No. The control would lie in the countries participating.

I think it should be pointed out that in recent years one of our best customers has been Latin America. Last year we sent them $4 billion in exports compared to $4.5 billion in 1957. Some of that reduction in trade was occasioned by the fact that many of the countries

felt that other nations were more concerned with them as a country and as free operating entities.

The lending authority of the proposed Inter-American Development Bank would be $850 million devoted to long-term loans at going market interest rates repayable in U.S. currency. That was the testimony of Mr. Coughran, executive vice president of the Bank of America.

A very interesting witness before our committee and one who certainly had worlds of experience in connection with inter-American trade and world trade was the former Secretary of State Dean Acheson. I believe he pointed out rather clearly the purpose of this legislation. At page 55 of the committee hearings you will find his testimony. I read from it the following statement:

Here is the dilemma which confronts the underdeveloped countries of our time. Simultaneously they need guidance and resent it. Why, one may ask, can they not learn by experience? To such an inquiry, a friend once suggested that men learn not from experience but from fatigue. Be that as it may, there is, I fear neither the time nor the resources available for underdeveloped countries to learn, in a free system at least, from costly mistakes.

It is here, fortunately, that the new Bank can make its greatest contribution. It will be an institution contributed to and largely managed by the Latin American countries. So in an important way, when the Bank speaks with one of them, they will be speaking with one another; and yet the Bank will have a wealth of experience and knowledge available in the officials and technicians whom it may employ.

This provides an opportunity for furnishing of guidance and the insistence upon criteria and standards which under other circumstances could, and indeed have, caused resentment. And not only resentment, but suspicion, for here can enter the ogre of economic imperialism exploiting Latin American resources, bitter memories of which survive from the days of Spanish and Portuguese colonialism. But their own institution, controlled by and operated for the benefit of the Latin American countries, cannot be suspected of exploitation or imperialism.

Mr. Chairman, I think that should be emphasized because we have been suspected in our dealings with Latin American countries and with other countries of colonialism and imperialism in our policies, that we wanted them to bend down to our will. In this case they will have the participation necessary so that they can establish policies and they can establish the wisdom of loans. They also have a basic interest to see that it is run soundly.

Mr. Acheson further commented:

Too often in Latin America governments have attempted to push development forward by engaging their own credit and their own limited administrative personnel in investments in the private sector—in the construction and operation of hotels, industrial plants, extractive industries, and so forth. Some governments have committed vast sums to these endeavors, without realizing that as much more again will be needed to complete and maintain them. Some of these investments have been unwise and losing ventures; but all of them have withdrawn essential credit and personnel from the public sector, economic and social, without which the basis for a stable industrial society cannot exist.

It is certainly hoped that by the enactment of this bill it will be possible for the 21 countries involved to provide longtime development in the Americas, screened by the American countries, policies set by the countries participating so that we may make sound progress, sound economic progress, that will result in constructive work in those countries in years to come and a far better standard of living.

It will also take from us the responsibility of appropriating from year to year to try to help through mutual security and foreign aid programs any government, in the fields in which we have ventured in the past.

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

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

Mr. VANIK. At this point, will the gentleman tell the committee the budgetary impact of this proposal?

Mr. WIDNALL. All of the apropriations in connection with this bill must be passed on by the Congress through the Appropriations Committee. There would be a $350 million appropriation of which the United States would be required, no later than September 30, 1960, to pay in $30 million to the Bank's capital for ordinary operations and $50 million to the Fund. An additional appropriation of $60 million would be required when called by the Bank, but not before September 30, 1961. All of the payments after the first payment become due only if 90 percent of the contributions have been made by the other countries.

There is also a third payment. That would not become due before September 30, 1962, the $60 million to be paid-in capital. There is a payment of $30 million due no later than September 30, 1960.

Mr. VANIK. Will the gentleman please tell the committee about the contingent liability for the $100 million over and beyond the amount he has discussed?

Mr. WIDNALL. This is in what they call the soft currency loan field, a field where the loans would be made in soft currencies and repaid in soft currency. There would be a contingent liability, I believe, as far as the United States is concerned, to the extent of its participation.

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

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

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

Mr. WIDNALL. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. I would like to know what effect this might have in aiding Castro to expropriate some land down in Cuba, sugar lands, which I am particularly interested in. Would it have any effect in aiding him to do that?

Mr. WIDNALL. I would say it possibly could have eventually, to the extent that Cuba would be one of the nations participating, if they made their capital contribution so that they could borrow through the bank, subject to the approval of the others who are on the Board of Governors.

Mr. MUMMA. Was there not an amendment added to the foreign aid bill barring him from participating in any foreign aid money?

Mr. WIDNALL. As I recall it, yes.

Mr. MUMMA. Could there be a similar one placed on this bill?

Mr. WIDNALL. There can be all kinds of amendments to this bill if they are offered and passed on by the House.

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

Mr. WIDNALL. I yield to the gentleman from Kansas.

Mr. GEORGE. Would this further reduce our gold supply?

Mr. WIDNALL. The basic contribution is payable in gold or dollars.

Mr. GEORGE. Who makes that decision?

Mr. WIDNALL. I think that is within the power of the country to decide upon its contribution. I do not believe it is callable in either one or the other, as I understood the basic law.

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

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

Mr. VANIK. Is it the gentleman's understanding, where loans might be made under this act, it will be possible to pay off in case of exappropriation by any of the Latin American countries?

Mr. WIDNALL. Certainly it is not the intent of the legislation to do that.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BARR].

Mr. BARR. Mr. Chairman, there are three economic currents flowing in the world today which pose certain problems for the United States. First, in Europe we see the creation of a common market made up of many of the industrial Western European nations who have joined together in an attempt to let the raw materials and the finished products of Western Europe flow freely from one nation to another, with no interruption caused by tariff barriers or import restrictions. The creation of this great European Common Market certainly constitutes a real threat to American industry, and it does mean that we are unquestionably faced with severe and serious competition in this area. In all fairness, however, we in this country should applaud the efforts of these nations to solve their industrial and commercial problems on the same basis that we solved them in this Nation—by the creation of a union of sovereign states between which commerce and trade can flow freely. This is just about exactly what we did when we formed our great Federal union of States back in 1788, and the nations of Western Europe are merely profiting by our example. The second economic current that is flowing through the world today is the growing competition of the Communist bloc. To

date this competition has not proved unbearable, but we would be foolish to ignore the potential danger to American industry and trade that may arise in the near future from this threat. An absolute dictatorship that needs pay no attention to the wishes or needs of its people can move with alarming and dangerous speed to undercut this Nation in many of our overseas markets.

The third economic current that is flowing through the world today involves a possibly temporary over-supply of many of the raw materials that our good friends in the Western Hemisphere are producing. A few weeks ago I was privileged to attend the Interparliamentary Conference between the Congress of the United States and the Canadian Parliament. At that time I was assigned to the Economic Subcommittee. Our discussions revolved around the problem of excess production by our good friends in Canada of wheat, oil, lead, zinc, nickel, and uranium. This problem of the oversupply of raw material and some food products is not confined to our friends on our nothern border, but also characterizes the economy of our friends to the south—the Latin American nations. Time after time in our discussions with the Canadian members of Parliament reference was made to the threatening competitive aspect of the European common market and the competition we can expect from the Communist bloc. None of us were empowered to make any agreements—we were there to talk. The talk constantly came back to the theory that to meet the competition of the common market in Europe, the competition of the Communist bloc, and at the same time to solve many of the problems in our hemisphere, the nations in the Western Hemishpere might possibly be driven into a common market of their own, stretching through both continents. None of us had a perfectly clear crystal ball; and none of us can forsee exactly what the future will bring, but the signs are clearly on the horizon which seem to indicate that the nations of the Western Hemisphere must seriously begin thinking about some methods of economic cooperation which will enable us to maintain our stature in a competitive world.

In my opinion the creation of this great Inter-American Bank furnishes the United States, and 21 Latin American nations who are forming it, with a tool that can be enormously valuable to all of us in the event that circumstances do drive us into a hemispheric common market. We already have a basic political organization in the Organization of American States. The Inter-American Bank is designed as the financial adjunct of the Organization of American States. It is designed as an institution which will enable this country to cooperate with our Latin-American neighbors in the solution of many of the financial problems that will be facing us. In this institution the United States and the charter nations will share their cash and their know-how in a joint effort to solve our hemispheric financial problems. I should like to add that the political organization—the Organization of American States, plus this Inter-American Bank, will provide a solid base, not only to help us solve our immediate financial and development problems, but will also prove invaluable in the event that we in the Western Hemisphere think it advisable to create our own common market to facilitate the free flow of raw materials and finished products between the nations of North and South America.

The creation of this Inter-American Bank has another aspect that is more difficult to assess properly. The United States has a great reservoir of financial and industrial know-how. The same thing is true in greater or lesser degree of many of our Latin-American neighbors. The creation of this Inter-American Bank will make it possible for us in the United States and our Latin-American neighbors to share, not only our cash, but our knowledge. Too often in the past it has proved difficult for the United States to deal directly and on a unilateral basis with our good friends in the South. Sometimes when we have attempted to help with advice and with cash, there is a temptation for our neighbors to think that our motives are suspect—to wonder just what sort of a deal we have under the table. On the other hand often our advice has proved faulty, and the purposes for which we have used our cash have been unwise. Our fault in this latter phase has been that all too often we have simply lacked the information and background that we need. But through the Inter-American Bank we have an opportunity to counsel and to advise in cooperation with the other directors representing the charter nations. We will not be forced into the uncomfortable position of dealing as one nation with another—we will have the vast benefits of dealing with an organization in which all of us are cooperating—in which all of these Latin-American nations are lenders as well as borrowers. This should clear up any doubt as to our motives. It will also give us the opportunity to share the knowledge of the area which the Latin-American directors will bring to the organization.

It seems to me that it is imperative that we in this Congress recognize the close ties that this Nation has in the Western Hemisphere. It is imperative that we recognize that these ties impose a certain financial obligation—a necessity to cooperate in the development of our joint economic destinies. It is my honest opinion that the best vehicle we can find to accomplish these objectives would be through the proposed Inter-American Bank. I urgently request your favorable consideration.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, with the present bill we are confronted with an opportunity to permit our actions to speak louder than our words and, in doing so, to give substance to the years of verbal assurances of inter-American friendship and of repeated pledges of hemispheric cooperation.

Throughout our history we have recognized, at least in theory, the special geographical and political relationships and mutual interests that have tied us closely to our 20 American Republic neighbors. Too often, however, our deeds have not measured up to our words. We have sometimes overlooked the needs and problems of our southern friends in our necessary preoccupation with crises in Europe and Asia. And we have often presumed too freely on the friendship and loyalty of our fellow countries without always recognizing that the obligations of friendship are mutual.

The Inter-American Development Bank, however, is an opportunity to join in an endeavor that holds great promise for the future development of Latin America. This is truly a mutual undertaking. It is genuinely cooperative. And for these reasons the Bank seems designed to avoid many of the dangers and misunderstandings arising from a benefactor-beneficiary relationship.

This is not a giveaway program or even a mutual assistance project. It represents the adaptation of a tested and proven instrument of international financial cooperation to the particular needs of the Latin American nations. The United States will be only one of 21 contributors, although a major one. And the United States will be one of 21 countries making the business decisions, determining priorities and authorizing the allocations from the Bank's resources.

These needs, Mr. Chairman, are great. Despite the immense natural resources of Central and South America, to a great degree they have remained undeveloped and have not contributed to the economic stability of the countries or the individual well-being of a majority of their peoples. This fact explains, at least in part, the political turmoil that periodically engulfs many of these nations—which we witnessed, for instance, during the Vice President's recent trip—a turmoil complicated by growing populations and extensive poverty.

Latin America needs help, not only assistance from outside but the means for cooperating among themselves toward the harmonious development of each of their economies. This assistance cannot be imposed; it must be encouraged. Our Latin neighbors are too proud, too fearful of losing their hard-won independence to risk it for help which comes only at a high price in terms of political independence.

The Inter-American Development Bank will help provide the means for development, for mutual self-help, and in a way in which the 20 Republics will be encouraged to work together with no fear of infringement upon their sovereignty. It will also provide a way for outside expert assistance to be used to the best advantage—to be made available within the context of an organization subject to their own control.

The capital of the Inter-American Development Bank will be relatively modest

at the beginning. It is intended to give the Bank an opportunity to see how usefully and effectively it can be operated. Its funds will supplement, not replace, those available from other public and private lending institutions. The Bank will not only make loans for individual projects, but will assist countries in formulating overall development programs and in engineering and organizing specific projects. Its technical assistance will help countries obtain capital from other sources, as well as from the Inter-American Bank.

Perhaps most important, Mr. Chairman, the Bank creates a new opportunity for experience in self-development, for training in the responsible management of one's own affairs in harmony with others in the same position.

These are prerequisites for the healthy development not only of economies but of free and responsible self-government.

As a member of the subcommittee, I was greatly impressed at the wide support this bill received from all the interested groups. I hope the House will provide its seal of approval to this immensely worthwhile endeavor.

Mr. McDONOUGH. Mr. Chairman, in my opinion, the pertinent protections and authorizations that Congress has provided for in this bill are in section 5.

Section 5 is as follows:

SEC. 5. The following actions relating to the Bank are prohibited except with the authorization of Congress:

1. Any increase in the subscription of the United States to the Bank.
2. Any change in the quota of the United States in the Fund for Special Operations.
3. Acceptance of any amendment to the Bank agreement.
4. Approval of any increase in the capital stock of the Bank.
5. Any loan by the United States to the Bank, except by an agency authorized by law to make loans to international agencies.

None of these things can be done without the authorization of the Congress.

In other words, the bill provides for every precaution against delegating authority by the Congress to any agency because these vital moves that might be made or changes that may be proposed cannot be done without the authorization of the Congress.

Mr. Chairman, I have no further requests for time, and I urge the passage of the bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, the discussion on the bill, H.R. 7202, has been clear and has been very helpful. I consider that this is an important piece of legislation and I believe the House should vote favorably on this measure. I congratulate the committee for bringing this bill to the floor.

I have on several previous occasions argued for the creation of such a facility. There has long been a demand for an Inter-American Bank designed to promote trade and improve the economic stability of the nations of the Western Hemisphere.

It is not generally known, but there is little trade between the Latin American countries. They do not buy and sell in quantity to each other. It is logical to suppose that the existence of a hemisphere bank would encourage more commerce between the nations of the hemisphere. It could lead to greater trust and confidence in each other and the United States. Such an institution could help to overcome the feeling among Latin American nations that the United States tries to dominate them, if not for selfish reasons, then at least by the exercise of overcautious paternalism. It could strengthen the feeling of dignity and equality and help to direct nationalism into constructive channels. It should show clearly the good motives of the United States in lending a friendly hand to establish and support an institution which if properly managed can be of real assistance in developing material and human resources in Central and South America. Such a bank could even be the first step in hastening the processes of economic integration which already is being talked about and which may become of real importance in the future. Presumably, the institution would be more sensitive than present facilities to special needs such as housing, education, and health, which are so necessary for well-balanced development.

A part of the reluctance which has been shown by this country in aiding the creation of a hemisphere bank undoubtedly is due to the fact that already we are a major participant in a number of international banking institutions and the fear that the creation of an institution peculiar to this hemisphere would lead to requests for similar institutions for other specific regions of the world. I submit that we have a particular interest in this hemisphere and its people. They are our closest neighbors and our stanch friends. This hemisphere can be very largely self-sustaining once it is properly developed. The prosperity of the Western Hemisphere means continued prosperity for the United States. We have direct and compelling reasons to stand by and strengthen our neighbors in the Western Hemisphere. The establishment of an Inter-American Bank is sufficiently important for the project to stand on its own feet. It is justified, in my opinion, without regard to our participation in other banks and could not be held to create a precedent for similar participation in other area banks. I consider it a long-overdue step.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise to voice my strong support for the bill under discussion to authorize the participation of the United States in the Inter-American Development Bank. Believing that this proposal represents one particularly significant and worthwhile step in the direction of an effective assistance program for Latin America, I was happy to cosponsor this bill and urge the Members of the House to grant it their full support.

As a member of the Inter-American Affairs Subcommittee of the House Foreign Affairs Committee, I was privileged to participate in a study undertaken by that group into the relations of the United States with Latin America. We found, as have all other studies on this subject, that perhaps the biggest, single facet of Latin American problems lies in their economic ills. One of the major causes of this is traced to the numerical limitation of exportable products most of these countries have; several of them can fairly be called one-crop economies. For example, Chile is dependent on mineral exports for 65 percent of her foreign exchange; Brazil depends 60 percent on coffee; El Salvador and Colombia depend 80 percent on coffee. When, as we have experienced in the past several years, world market prices decline substantially, the blow to the economy of these countries is devastating. This, combined with the steadily increasing prices on their imports, cause economic and then political and social repercussions in these countries that rock the very foundations of their existence.

Latin America then is in the midst of an epochal revolution in its political, social, and economic life. Recent events in Argentina, Colombia, Venezuela, and Cuba attest to the determination of the Latin American people to achieve liberation from oppression, to demand visible improvement in their living conditions. Economic reform, a greater diversity in their commercial and agricultural production, development of the many natural resources of these countries—these things are badly needed if this area is to achieve the governmental and economic stability and security they need and are demanding. President Frondizi, of Argentina, and President Allessandri, of Chile, are making strenuous efforts at economic stabilization. Bolivia, another nation hard pressed for economic reform, is now negotiating with the International Monetary Fund regarding its stabilization program. Colombia has undertaken through the Export-Import Bank, the International Monetary Fund and through its own austerity program, to overcome the budgetary and industrialization crises brought about by the 1957 drop in coffee prices.

There is no single approach to the solution of the economic problems of the Latin American countries; the Export-Import Bank, the International Monetary Fund, the Agricultural Trade Development and Assistance Act and other international monetary organizations all are worthwhile programs which have served admirably to assist and develop the economy and industrialization in the American Republics. Recognizing the need for other avenues of assistance and cooperation, studies were undertaken in 1957 and a recommended agreement for the establishment of the Inter-American Development Bank was signed by the representatives of the 21 American Republics in April of this year.

The bill under consideration would allow U.S. participation in this Bank and authorize an appropriation of $450 million which represents the full amount of the U.S. subscription.

The Inter-American Development Bank is designed to expand the economic growth of Latin America. It will make loans for projects in these countries to supplement other sources of credit. It will assist them in formulating development programs and in engineering and organizing projects. Its technical assistance will help these countries obtain capital from other sources including the private capital market which already has direct investments in Latin America amounting to over $9 billion, more than in any other region in the world.

This program is designed to enlist the full cooperation of all the Latin American countries in a joint enterprise with the United States. All participating countries will share a part of the cost and the responsibility for managing the institution successfully.

Enactment of this legislation will satisfy a longstanding desire of the Latin American Republics for an inter-American lending institution specifically created to handle the specialized economic needs of their areas. It will supplement other worthwhile programs and help these countries to help themselves both through their subscriptions to the Bank and through their assumption of a major responsibility for management in determining priorities and authorizing loans.

I heartily support this legislation, Mr. Chairman, and hope it will receive the unanimous vote of the House.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have asked for this time in order to ask some pointed questions. In view of the fact that this is going to cost the Treasury approximately $50 million a year for the next 3 years, and in view of the fact that we are having difficulty now in balancing our budget, I would like to ask the gentleman, either the chairman of the committee or the ranking Republican member of the committee, if we have White House clearance on this legislation?

I will direct my question to the ranking Republican member, the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. I am informed that the contribution we must make the first year is provided in the budget for this fiscal year. There is no excessive amount that we are obligated to contribute which would unbalance the budget.

Mr. BAILEY. However, it is $50 million.

Mr. McDONOUGH. No; the amount we are required to contribute for the first year in the formation of this bank is provided for in the present budget.

Mr. BAILEY. That still does not answer the question completely. The gentleman did not tell me whether you have clearance for the entire program. You are talking about this current year.

Mr. McDONOUGH. Of course, I cannot answer the question the gentleman poses as to subsequent fiscal years because we have not arrived at that point yet and we do not know what the situation may be.

Mr. BAILEY. Then I would like to ask the gentleman if my coal industry in West Virginia which is shut down now wants a loan to get going again, can it apply to this Inter-American Bank?

Mr. McDONOUGH. If it moved to South America it could.

Mr. BAILEY. It would not be privileged to apply to this Inter-American Bank for a loan to get on its feet to start operations in West Virginia?

Mr. McDONOUGH. Not under the terms of the bill.

Mr. BAILEY. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Inter-American Development Bank Act".

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the Inter-American Development Bank (hereinafter referred to as the "Bank"), provided for by the agreement establishing the Bank (hereinafter referred to as the "agreement") deposited in the archives of the Organization of American States.

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

Mr. Chairman, the gentleman from Indiana a few moments ago in his remarks said that this is another opportunity for us to share our cash with the foreigners, and he is 100 percent correct: This is the latest sharing of the poor old American taxpayer.

A question I would like to have answered is why existing agencies such as the International Monetary Fund, the World Bank, the Export-Import Bank, or the International Bank for Reconstruction and Development cannot make these loans? Can somebody inform me as to why a brand new setup has to be created?

Surely that question was asked when you held hearings on the bill; you must have asked why some of the existing international lending agencies could not handle this situation. I am surprised that that question was not asked.

Mr. SPENCE. Is the gentleman asking me the question?

Mr. GROSS. Yes; I would like to have anybody answer the question.

Mr. SPENCE. The International Bank for Reconstruction and Development probably could, but this is a recognition of the need of the Latin American countries.

Mr. GROSS. A recognition of what?

Mr. SPENCE. They are willing to contribute their part. If we want to give them help we ought at least to consider the people who are willing to come in and make a common undertaking of it and contribute some of their own funds.

Mr. GROSS. Let me ask if these Latin American countries cannot contribute to some of the existing international lending agencies and obtain loans?

Mr. SPENCE. I have given the gentleman the answer.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Certainly.

Mr. McDONOUGH. I am sure the gentleman knows that the Export-Import Bank is a completely owned U.S. Bank.

Mr. GROSS. But the World Bank is not; let us take the World Bank.

Mr. McDONOUGH. There is coordination between the World Bank and this Bank. I do not know for certain that all of the countries who are subscribers to this Bank are members of the World Bank.

Mr. GROSS. Is there anything to preclude South American countries from becoming members of the World Bank?

Mr. McDONOUGH. I cannot answer that now but I do know that 21 of the Latin American countries are subscribers to this plan, and this is an opportunity on the part of the United States to coordinate our efforts in the Latin American countries.

Mr. GROSS. I heard about that a while ago, and my question is still unanswered.

Mr. McDONOUGH. Not by giveaway, but by loans.

Mr. GROSS. I heard all about that a little while ago. What I am trying to find out is why these South American governments cannot become members of the World Bank and why these loans cannot be provided through agencies already established. The silence I get indicates there is no reason why they cannot. Here you are setting up a brand new organization. The bill reads: "The President shall appoint a Governor of the Bank and an alternate for the Governor, and an Executive Director of the Bank." Who is going to pay them? Can somebody tell me? There is no indication in the bill.

Mr. McDONOUGH. I understand a certain amount of the capital will be set aside for administrative purposes.

Mr. GROSS. They are going to be paid, are they not?

Mr. McDONOUGH. They are going to be paid.

Mr. GROSS. They are going to be paid salaries.

Mr. McDONOUGH. Yes.

Mr. GROSS. They are going to be paid good salaries.

Mr. McDONOUGH. I suppose so.

Mr. GROSS. It would be a duplication. We already have administrative officials of the World Bank, do we not?

Mr. McDONOUGH. There is a difference between the World Bank and this Inter-American Bank in this respect: The World Bank is participated in by

some 53 nations and there are loans that may be asked for by nations in other parts of the world. In this institution the United States is attempting to coordinate its economic activities with the South American countries, and there is no competition with any other services.

Mr. GROSS. There is nothing to keep the South American countries from joining this other world financial setup, is there?

Mr. McDONOUGH. No.

Mr. GROSS. Absolutely not, and they may be in competition with any other country in any other part of the world.

What is the salary of these officers going to be? Who is going to pay them? Can somebody tell me something?

Mr. BARR. The salaries of the officers will be paid from earnings of the Bank, not by the taxpayers.

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

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. But is it not more than a little strange that we go into the financing of an operation such as this on any basis and nobody knows what the salaries of the officials are going to be, or other expenses?

Mr. BARR. We are sharing this burden with 20 other nations. We are only paying 41 percent of the cost.

Mr. GROSS. Can somebody tell me what we are going to spend under this bill?

Mr. BARR. We have a 40 percent vote.

Mr. GROSS. We have a 40 percent vote, the gentleman says.

Mr. BARR. Yes; 41 percent.

Mr. GROSS. And we have a contingent liability up to $450 million?

Mr. BARR. That is correct.

Mr. GROSS. That is not exactly alfalfa, even in this day of depreciated dollars.

Mr. BARR. No; it is not.

Mr. GROSS. This is again the back door approach to the U.S. Treasury, is it not?

Mr. BARR. No. This goes to the Appropriations Committee, and it must be approved by that committee. The authorization must be approved by the Appropriations Committee.

Mr. GROSS. What does this language mean: "There is hereby authorized to be appropriated without fiscal year limitation"?

Mr. BARR. By the Appropriations Committee.

Mr. GROSS. And the Appropriations Committee can turn this down if it wants to, is that correct?

Mr. BARR. That is correct.

Mr. GROSS. Let us hope they do. I find this langauge:

> The Bank is not designated to replace or be a substitute for existing sources of capital.

What is meant by that?

Mr. BARR. I think the language is self-explanatory. As the gentleman pointed out very succinctly, they are further organizing by creating this bank, when we have the World Bank and the International Monetary Fund, but the World Bank and the International Monetary Fund have become so deeply involved in Africa, in Asia, and in many other parts of the world that the South American countries feel they are not getting a fair deal from the United States. I am from the Midwest, as is the gentleman, and I realize these giveaway programs are not very popular, but I happen to think, however, that we have a financial responsibility and this is the way I would like to live up to it.

Mr. GROSS. We have a financial responsibility to our own taxpapers, too, do we not?

Mr. BARR. Yes.

Mr. GROSS. This is going to be a further drain on the gold reserves of this country?

Mr. BARR. It could possibly be. Any authorization we make here can be a drain on the Treasury.

Mr. GROSS. It means the establishment of factories in South America to deprive more American workers of their jobs; is that not true?

Mr. BARR. I think, sir, it is designed to create markets for all of these countries and we want to be sure that they are kept as our largest customer.

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

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

Mr. McDONOUGH. The answer to the question about gold is not entirely correct. The contribution is to be made in gold or dollars. There is no need for any drain on our gold supply.

Mr. BARR. In all fairness, you are correct, sir; the dollars we place in the International Institution can be pulled down from gold.

Mr. GROSS. Dollar for dollar, they can be taken in gold, there is no question about that. It is fully discretionary. I would like to ask about this fund for special operations. What is the meaning of "fund for special operations"? It is referred to in the bill, line 14, page 4.

Mr. McDONOUGH. One hundred and fifty million dollars?

Mr. GROSS. No; it is $100 million.

Mr. McDONOUGH. It is $100 million; yes.

Mr. GROSS. What is the fund for special operations? What is the purpose of it?

Mr. SPENCE. Some of the nations may not be able to participate to the full extent in the Bank, so they have a fund for special operations to help those countries. They will have to pay back the money they obtain.

Mr. GROSS. What is the gentleman trying to say, that some of these 21 countries may not participate in this organization? Someone just said all of them would participate.

Mr. SPENCE. The United States has complete control over these things, because it takes a three-fourths vote to do anything except to make the ordinary loans.

Mr. GROSS. What precisely is the meaning of this $100 million fund for special operations? What precisely is the function of it? What is it set up for?

Mr. SPENCE. The fund is for a little easier loan to people who are a little more distressed.

Mr. GROSS. Now, if the gentleman is correct, we are getting down to the nub of this thing.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

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

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

Mr. SPENCE. I object. I think we ought to be fair about this matter of time. I would like to see the bill voted upon.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. GROSS moves that the Committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Apparently now we are getting at the nub of this thing. It is a good deal like the World Bank on the one hand that practices, perhaps, a modicum of sound banking, and the Development Loan Fund. If that is what the Fund for Special Operation means, then we have the comparison of the Development Loan Fund and the World Bank in operation in this bill. Can that be what this is, that these are soft loans, uncollectible loans going through the special fund as contrasted with loans made in other provisions of the bill?

Mr. McDONOUGH. Mr. Chairman, if the gentleman will yield, if the gentleman heard the gentleman from New Jersey [Mr. WIDNALL], who described the soft currency, he described where special consideration would have to be given to those countries in need because of their soft currency and not more than $150 million of this fund may be used for that purpose.

Mr. GROSS. For soft loans.

Mr. McDONOUGH. For loans to countries who have soft currencies.

Mr. GROSS. "Soft currencies" means "soft loans," does it not?

Mr. McDONOUGH. It means countries whose currencies are not as stable as some of the other countries.

Mr. GROSS. And we have no reasonable expectation of collecting on the loans made.

Mr. McDONOUGH. That, I do not think, follows. I think you can collect in soft currencies, though you would have to collect a lot more of them, and it would take a longer time to collect. But, that does not mean you cannot collect them.

Mr. GROSS. How are we going to keep track of these international lending agencies? Just how are we going to keep track of them, and their overlapping and duplication. This thing is really blossoming out with this bill.

Mr. McDONOUGH. The bill further provides that any increase in subscription of the United States to the Bank must be authorized by the Congress, with

the gentleman participating in the debate. Any change in management of the Fund for Special Operation must be authorized by the Congress. Acceptance of any amendment to the Bank agreement must be authorized by the Congress, and any loan by the United States to the Bank except by an agency authorized by law to make loans to international agencies must be authorized by the Congress. We have complete control there.

Mr. GROSS. I understand, but this is the biggest foot you ever saw stuck in a door, and the gentleman knows if this door is opened, it will never be closed again.

Mr. McDONOUGH. The gentleman will recall that we provide money for foreign aid under the mutual security program.

Mr. GROSS. Under the terms of this bill you are not taking anything away from the foreign giveaway.

Mr. McDONOUGH. There no doubt will be a deficiency in that, and for that reason this will supplement a lot of that work, and on a better basis.

Mr. GROSS. Will the gentleman assure me that we will quit putting as much foreign aid in Bolivia each year as that government collects in taxes, if this bill passes? Will the gentleman assure me that will happen?

Mr. McDONOUGH. As far as I am concerned, I will agree that the amount of money they may borrow out of this Bank may be deducted from the mutual security fund, because they actually prefer that this go through this means rather than through the mutual security program.

Mr. GROSS. I would have to disagree with the gentleman on that. They like their millions in handouts from this country. This bill might make some sense if you provided in the bill that the money subscribed to the capital stock of this new Bank came out of foreign giveaway funds. Then, this bill might make a little sense. I might be tempted to buy it under those circumstances, but I am certainly not going to stand here today and subscribe to a brand new international lending agency, with a liability of half a billion dollars on our taxpayers, when we already have similar agencies all over the map.

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

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. BAILEY. I was hoping that when we started talking about soft loans, maybe we could be eligible for loans for our soft coal industry in West Virginia. I say to the gentleman that if we start the present tendency to take American capital and American jobs abroad that we had better make these loan funds broad enough so that the American firms can make applications for loans.

Mr. GROSS. We are not only exporting our cash to them but we are importing their labor in terms of the products of the industries we establish in foreign countries.

Mr. BAILEY. Over a million American jobs have already been exported by 3,000 American firms that have oversea plants in operation.

Mr. GROSS. That is right.

Mr. BAILEY. And it will be my pleasure next Monday to tell the House the details of who those people are and what industry they are engaged in and how many American jobs they have displaced.

Mr. GROSS. This bill, providing for a new and expensive administrative setup, seems to be advocated only because already existing international agencies are unable to shovel out our money fast enough. I submit that no valid argument has been advanced in behalf of this measure. I refuse to support this latest move to further deplete our gold reserves and add to the obligations of the U.S. Treasury. I reiterate my opposition.

Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Without objection, the preferential motion is withdrawn.

There was no objection.

Mr. REUSS. Mr. Chairman, the Inter-American Development Bank represents an important step forward in our relations with Latin America. It fulfills a long desired objective of Latin Americans to have their own financial institution to deal with their own problems. It also carries to a larger fulfillment the long standing good neighbor policy of the United States.

The pressure for a quickening pace of development has been mounting all over Latin America since World War II, and while the United States has provided reasonably large amounts to assist development in critical areas in the Middle and Far East, the Latin Americans, who are traditionally our best trading partners, have felt that, in spite of all the work done by existing lending agencies, they have been somewhat neglected in the recognition given to their development problems. This Bank, as an instrumentality of the Western Hemisphere countries, is peculiarly suited to cover these development problems. Capitalized at $1 billion, the Latin Americans will contribute well over half of the initial capital and will have the majority voice in the management of this institution. The major share of the capital resources of the Bank will be utilized to make sound, bankable loans along the general course chartered by the International Bank. In addition thereto, the Inter-American Bank will have a $150 million fund for special operations which will be authorized to make loans repayable in whole or in part in the currency of the borrower. This fund will give the Bank the additional flexibility needed to tailor its lending operations to the particular needs of the Latin American countries.

The U.S. contribution to this institution will be $450 million, of which $200 million will be the form of a callable capital and will not require any payment by the United States unless a call should be made by the Bank to cover outstanding obligations or guarantees. This arrangement is similar to the U.S. contribution to the International Bank which has never made a call on the United States but utilizes this callable capital as a Guarantee Fund against which securities are issued. The paid-in capital contribution will be $150 million, to be paid in installments over a 3-year period. The U.S. contribution to the Fund for Special Operations will be $100 million. The contribution of the Latin Americans to this Bank will be $550 million. The voting in the Bank will be on a weighted basis so that the United States will have approximately 40 percent of the total vote which will be sufficient to safeguard the U.S. interests but does not carry with it the tinge of majority ownership responsibility. The significance that the major contribution to this organization will be made by the Latin American countries, themselves, should augur well for their exercising management control and responsibility in this institution.

The Bank agreement specifies that the Bank should encourage private investment projects, enterprises, and activities contributing to economic development, and to supplement investment when private capital is not available on reasonable terms and conditions. It is expected that the Bank will cooperate as far as possible with national and international institutions and with private sources supplying investment capital. Since the Bank will be in a position to make loans of the same type and in the same area where existing institutions are already providing substantial financing, it is obvious that there will be need for close coordination of the efforts of all these institutions. The limited resources of this Bank will make it necessary for it to work closely with the other institutions for Latin America to achieve the desired acceleration of its economic development.

Of great importance to the member countries is the provision in the agreement authorizing the Bank to give technical assistance to member governments and to private business in member countries. Such technical advice and assistance in the preparation, financing, and execution of development plans and projects and in the advance training of personnel should be invaluable to the more underdeveloped countries of Latin America. Such coordination of planning will bring about a closer cooperation between existing lending institutions and the borrower, as well as a greater appreciation of such development planning by the various member countries who will then have a stake in the success of such a plan.

The membership of this institution is restricted to the members of the Organization of American States. This includes the 21 Republics of the Western Hemisphere who are also joined in military and political alliances. It is gratifying to note that Canada may become a member of this institution if she accedes to membership in the Organization of American States. Surely, the Inter-American Development Bank would benefit from Canada's membership.

The Clerk read as follows:

GOVERNOR, ALTERNATE GOVERNOR, AND EXECUTIVE DIRECTOR

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor. The term of office for the Governor and the Alternate Governor shall be five years, but each shall remain in office until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an Executive Director of the Bank. Except as provided for in article XV, section 3, of the agreement, the term of office for the Executive Director shall be three years, but he shall remain in office until a successor has been appointed.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor, Alternate Governor, or Executive Director.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the establishment of the Bank and in each succeeding report.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3, of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3, of the agreement; or (c) accept any amendment under article XII of the agreement. Unless Congress by law authorizes such action, no Governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2, of the agreement, or any increase in the resources of the Fund for Special Operations under article IV, section 3(g), thereof.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTION

SEC. 7. (a) There is hereby authorized to be appropriated to the President, without fiscal year limitation, for the purchase of thirty-five thousand shares of capital stock in the Bank, $350,000,000. In addition, there is hereby authorized to be appropriated to the President, without fiscal year limitation, for payment of the subscription of the United States to the Fund for Special Operations, $100,000,000.

(b) For the purpose of keeping to a minimum the cost to the United States of participation in the Bank, the Secretary of the Treasury, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under atricle II, section 4, and article IV, section 3, respectively, of the agreement, is authorized and directed to issue special notes of the United States from time to time, at par, and to deliver such notes to the Bank in exchange for dollars to the extent permitted by the agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable, and shall be payable on demand of the Bank. The face amount of special notes issued to the Bank under the authority of this subsection and outstanding at any one time shall not exceed, in the aggregate, the amount of the subscription and quota of the United States actually paid to the Bank under article II, section 4, and article IV, section 3, respectively, of the agreement.

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States, its Territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES, AND PRIVILEGES

SEC. 9. The provisions of article X, section 4(c), and article XI, sections 2 to 9, both inclusive, of the agreement shall have full force and effect in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in, and the establishment of, the Bank.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 10. The last sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after the words "International Bank for Reconstruction and Development" the words "or the Inter-American Development Bank" and by striking the words "said Bank" and inserting in lieu thereof "either of said Banks".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 11. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's ordinary capital resources as defined in article II, section 5, of the agreement, and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article II, section 4(a)(ii), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with respect to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with respect to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CERTAIN REPORTS REQUIRED

SEC. 12. The reports of the National Advisory Council on International Monetary and Financial Problems provided for in section 4(a)(6) of the Bretton Woods Agreements Act (and referred to in section 4 of this Act) shall also cover and include the effectiveness of the provisions of section 11 of this Act and the exemption for securities issued by the Bank provided by section 5136 of the Revised Statutes in facilitating the operations of the Bank and the development of the economic resources of member countries of the Bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

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

There was no objection.

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

Mr. Chairman, I take this time to ask a question: What is the rate of interest that will be charged on the loans made under this new bank?

Mr. WIDNALL. In answer to the question, the bank management will determine the rate of interest and it is understood it will be the same interest rate that is charged by local banks in the United States.

Mr. GROSS. That would be 7 percent or 8 percent, would it not? In the Middle West loans carrying any risk have an interest rate of about 7 percent.

Mr. WIDNALL. It will be the going rate of interest, as loans are made in the United States.

Mr. GROSS. Does the gentleman mean on commercial paper?

Mr. WIDNALL. It will be in accordance with the type of risk and the security in back of the loan as circumstances obtain with respect to each particular loan. There is nothing set in the bill on the rate of interest.

Mr. GROSS. That would be either 6 percent or 7 percent?

Mr. WIDNALL. It could be less and it could be more.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 15, after "agreement" insert "agreement; or (d) make a loan or provide other financing to the Bank, except that loans may be made or other financing provided to the Bank by

any agency of the United States, created pursuant to an Act of Congress, which is authorized by law to make loans or provide other financing to international organizations."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment:

The Clerk read as follows:

Committee amendment: On page 4, line 9, after "appropriated" strike out "to the President."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 7072) to provide for the participation of the United States in the Inter-American Development Bank pursuant to House Resolution 322, 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.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the "Ayes" appear to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 233, nays 87, not voting 114, as follows:

[Roll No. 117]

YEAS—233

Anderson, Mont.
Andrews
Aspinall
Avery
Baldwin
Barr
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Betts
Blatnik
Boland
Bolling
Bolton
Bonner
Bowles
Boyle
Breeding
Brock
Brooks, La.
Brown, Ga.
Brown, Mo.
Broyhill
Burdick
Burke, Ky.
Burke, Mass.
Bush
Cahill
Carnahan
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Clark
Coffin
Cohelan
Conte
Cook
Cooley
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Daddario
Dague
Dawson
Dent
Denton
Derounian
Dixon
Doyle
Durham
Dwyer
Edmondson
Elliott
Everett
Fascell
Feighan
Fenton
Fisher
Flood
Flynn
Fogarty
Foley
Forand
Frazier
Fulton
George
Glenn
Grant
Griffin
Griffiths
Gubser
Hagen
Haley
Halleck
Halpern
Harris
Hébert
Herlong
Hess
Hiestand
Hogan
Holifield
Holland
Hosmer
Huddleston
Ikard
Johnson, Calif.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Keith
Kelly
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kluczynski
Kowalski
Lafore
Langen
Lankford
Lesinski
Levering
Libonati
Lindsay
McCulloch
McDonough
McDowell
McFall
McGinley
McGovern
McIntire
McSween
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Martin
Matthews
May
Meader
Metcalf
Meyer
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Morris, N. Mex.
Morris, Okla.
Moulder
Mumma
Murphy
Natcher
Nelsen
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
Oliver
Ostertag
Patman
Pelly
Perkins
Pfost
Pirnie
Poage
Porter
Preston
Price
Prokop
Pucinski
Quie
Rains
Randall
Ray
Reece, Tenn.
Reuss
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Roberts
Robison
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rostenkowski
Roush
Rutherford
St. George
Saund
Saylor
Schenck
Schwengel
Selden
Shelley
Short
Sikes
Sisk
Smith, Iowa
Smith, Miss.
Spence
Springer
Staggers
Steed
Stratton
Stubblefield
Sullivan
Teague, Calif.
Thompson, Tex.
Thornberry
Tollefson
Trimble
Udall
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Wampler
Watts
Weis
Westland
Widnall
Wier
Wilson
Wright
Yates
Young
Younger
Zablocki

NAYS—87

Abbitt
Abernethy
Adair
Alexander
Alger
Allen
Ashmore
Bailey
Baker
Baring
Belcher
Bennett, Mich.
Bentley
Berry
Bosch
Bray
Burleson
Byrnes, Wis.
Cannon
Casey
Church
Coad
Collier
Colmer
Davis, Ga.
Derwinski
Devine
Dorn, S.C.
Dowdy
Downing
Evins
Flynt
Gary
Gathings
Gavin
Gray
Gross
Hall
Hardy
Hargis
Harmon
Harrison
Hemphill
Henderson
Hoeven
Hoffman, Mich.
Horan
Jennings
Jensen
Johansen
Johnson, Md.
Kitchin
Knox
Laird
Landrum
Latta
Lennon
Lipscomb
McMillan
Mack, Wash.
Mason
Murray
Norblad
Passman
Pilcher
Poff
Rees, Kans.
Rhodes, Ariz.
Scherer
Scott
Shipley
Siler
Simpson, Ill.
Slack
Smith, Calif.
Smith, Kans.
Smith, Va.
Taber
Teague, Tex.
Thomson, Wyo.
Tuck
Utt
Van Pelt
Whitener
Williams
Winstead
Wolf

NOT VOTING—114

Addonizio
Albert
Alford
Andersen, Minn.
Anfuso
Arends
Ashley
Auchincloss
Ayres
Barden
Barrett
Barry
Bass, N.H.
Baumhart
Becker
Blitch
Boggs
Bow
Boykin
Brademas
Brewster
Brooks, Tex.
Broomfield
Brown, Ohio
Buckley
Budge
Byrne, Pa.
Canfield
Carter
Curtis, Mass.
Daniels
Davis, Tenn.
Delaney
Diggs
Dingell
Dollinger
Donohue
Dooley
Dorn, N.Y.
Dulski
Fallon
Farbstein
Fino
Ford
Forrester
Fountain
Frelinghuysen
Friedel
Gallagher
Garmatz
Giaimo
Goodell
Granahan
Green, Oreg.
Green, Pa.
Hays
Healey
Hechler
Hoffman, Ill.
Holt
Holtzman
Hull
Irwin
Jackson
Jarman
Johnson, Colo.
Keogh
Kilburn
Lane
Loser
McCormack
Macdonald
Mailliard
Marshall
Merrow
Michel
Mitchell
Moore
Moorhead
Morgan
Morrison
Moss
Multer
Nix
O'Brien, N.Y.
O'Konski
O'Neill
Osmers
Philbin
Pillion
Powell
Quigley
Rabaut
Rivers, S.C.
Rodino
Rooney
Roosevelt
Santangelo
Sheppard
Simpson, Pa.
Taylor
Teller
Thomas
Thompson, La.
Thompson, N.J.
Toll
Ullman
Wainwright
Weaver
Wharton
Whitten
Willis
Withrow
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Giaimo for, with Mr. Moore against.

Mr. Buckley for, with Mr. Hoffman of Illinois against.

Mr. Auchincloss for, with Mr. Taylor against.

Mr. Bass of New Hampshire for, with Mr. Wainwright against.

Until further notice:

Mr. McCormack with Mr. Arends.

Mr. Ullman with Mr. Simpson of Pennsylvania.

Mr. Garmatz with Mr. Brown of Ohio.

Mr. Fallon with Mr. Goodell.

Mr. Friedel with Mr. Barry.

Mr. Fountain with Mr. Ayres.

Mr. Forrester with Mr. Bow.

Mr. Addonizio with Mr. Frelinghuysen.

Mr. Daniels with Mr. Fino.

Mr. Rodino with Mr. Baumhart.

Mr. Gallagher with Mr. Osmers.

Mr. Santangelo with Mr. Kilburn.

Mr. Hull with Mr. Holt.

Mr. Johnson of Colorado with Mr. Michel.

Mr. Lane with Mr. Pillion.

Mr. Philbin with Mr. Becker.

Mr. Donohue with Mr. Weaver.

Mr. O'Neill with Mr. Withrow.

Mrs. Green of Oregon with Mr. O'Konski.

Mr. Thompson of Louisiana with Mr. Jackson.

Mr. Morrison with Mr. Curtis of Massachusetts.

Mr. Willis with Mr. Dorn of New York.

Mr. Morgan with Mr. Merrow.

Mr. Nix with Mr. Mailliard.

Mr. Green of Pennsylvania with Mr. Anderson of Minnesota.

Mr. Barrett with Mr. Wharton.

Mr. Byrne of Pennsylvania with Mr. Ford.

Mr. Boggs with Mr. Dooley.

Mr. Roosevelt with Mr. Budge.

Mr. Moorhead with Mr. Canfield.

Mr. Sheppard with Mr. Broomfield.

Mr. YOUNG changed his vote from "nay" to "yea."

Messrs. SMITH of California, LATTA, and WOLF changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 1928, an identical bill to H.R. 7072.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Inter-American Development Bank Act".

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the Inter-American Development Bank (hereinafter referred to as the "Bank"), provided for by the agreement establishing the bank (hereinafter referred to as the "agreement") deposited in the archives of the Organization of American States.

GOVERNOR, ALTERNATE GOVERNOR, AND EXECUTIVE DIRECTOR

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor. The term of office for the governor and the alternate Governor shall be five years, but each shall remain in office until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an Executive Director of the Bank. Except as provided for in article XV, section 3, of the agreement, the term of office for the Executive Director shall be three years, but he shall remain in office until a successor has been appointed.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor, Alternate Governor, or Executive Director.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the establishment of the Bank and in each succeeding report.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3 of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3, of the agreement; (c) accept any amendment under article XII of the agreement; or (d) make a loan or provide other financing to the Bank, except that loans or other financing may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2, of the agreement or any increase in the resources of the Fund for Special Operations under article IV, section 3(g) thereof.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTION

SEC. 7. (a) There is hereby authorized to be appropriated, without fiscal year limitation, for the purchase of thirty-five thousand shares of capital stock in the Bank, $350 million. In addition, there is hereby authorized to be appropriated, without fiscal year limitation, for payment of the subscription of the United States to the Fund for Special Operations, $100 million.

(b) For the purpose of keeping to a minimum the cost to the United States of participation in the Bank, the Secretary of the Treasury, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under article II, section 4, and article IV, section 3, respectively, of the agreement, is authorized and directed to issue special notes of the United States from time to time, at par, and to deliver such notes to the Bank in exchange for dollars to the extent permitted by the agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable, and shall be payable on demand of the Bank. The face amount of special notes issued to the Bank under the authority of this subsection and outstanding at any one time shall not exceed, in the aggregate, the amount of the subscription and quota of the United States actually paid to the Bank under article II, section 4, and article IV, section 3, respectively, of the agreement.

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States, its Territories or possessions, or the Commonwealth of Puerto Rico by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 9. The provisions of article X, section 4(c), and article XI, sections 2 to 9, both inclusive, of the agreement shall have full force and effect in the United States, its Territories and possesisons, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in, and the establishment of, the Bank.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 10. The last sentence of paragraph seven of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after the words "International Bank for Reconstruction and Development" the words "or the Inter-American Development Bank" and by striking the words "said Bank" and inserting in lieu thereof "either of said Banks".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 11. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's ordinary capital resources as defined in article II, section 5, of the agreement, and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article II, section 4(a)(ii), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations, and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consulation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effects of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CERTAIN REPORTS REQUIRED

SEC. 12. The reports of the National Advisory Council on International Monetary and Financial Problems provided for in section 4(a)(6) of the Bretton Woods Agreements Act (and referred to in section 4 of this Act) shall also cover and include the effectiveness of the provisions of section 11 of this Act and the exemption for securities issued by the Bank provided by section 5136 of the Revised Statutes in facilitating the operations of the Bank and the development of the economic resources of member countries of the Bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7072) was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE GAS TAX AND THE FEDERAL INTERSTATE HIGHWAY PROGRAM

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. McGOVERN. Mr. Speaker, it is imperative that Congress permit no disruption of the Federal highway building program through failure to provide adequate funds. To do so would be to waste far more of the public's money and resources than would be saved by postponing needed construction.

William E. Umstattd, president of the Timken Roller Bearing Co., said in a letter to me under date of July 15: "The clear intent of the Highway Act of 1956 was to provide for a continuing highway building program. Relying upon the clear intention of this act, road builders, contractors, and equipment manufacturers have made serious commitments in money and manpower. To immobilize the already mobilized construction efforts of all these companies would indeed be a costly waste."

It seems to me that Mr. Umstattd's position is well taken. In my own State road contractors are understandably disturbed by the fact that the highway building fund to cover future operations is exhausted. I feel certain that this Congress will not adjourn without providing adequate funds to cover existing contracts for fiscal 1960. We should also make provision for new revenues to finance the continuing program in the future.

Future revenues might be provided from several sources. It has been suggested that interstate highway trust fund revenues would be adequate if diversions of automotive excise taxes were stopped. The issuance of revenue bonds is another device that should be carefully considered.

I am convinced that the poorest proposal for financing the program is the administration's request for a fifty percent increase in the Federal gas tax. I have opposed this suggested tax increase from the outset. Such an increase would further strain an already heavily taxed traveling public. Furthermore it would threaten a field of revenue that is urgently needed by the States.

I agree entirely with a resolution on this subject recently passed by Northwest Central States Gasoline Tax Administrators Conference that was forwarded to me with a covering letter from Mr. E. W. Stephens of Pierre, S. Dak., secretary of the conference. Mr. Stephens' letter and the resolution are included as follows:

NORTHWEST CENTRAL STATES
GASOLINE TAX
ADMINISTRATORS CONFERENCE,
Pierre, S. Dak., July 20, 1959.

Hon. GEORGE S. McGOVERN,
House Office Building,
Washington, D.C.

DEAR GEORGE: I enclose copy of resolution which was adopted by unanimous vote of our conference at its annual meeting held June 25 and 26, last, in Rapid City, S. Dak., for your information. You will note from the reading of this resolution that our conference feels very strongly about suggestions recently made to increase the Federal gasoline tax.

In addition to the reasons set forth in the resolution for opposition to any increase in the Federal gasoline tax, it was brought out in discussions about the subject that any further increase in the Federal gasoline tax will raise further problems in the States affecting gasoline tax refunds of both State gasoline taxes as well as the Federal gasoline tax. The consensus of the meeting appeared to be that such Federal gasoline tax increase would bring the tax on gasoline, throughout the States represented at the meeting, to such a high level that the temptation to evade the tax would be much greater and could very possibly in the future bring about a chaotic condition in the collection of State gasoline taxes. It appeared from the discussion that any such increase might, in fact, bring about little if any additional highway revenue because of the pressure upon gasoline tax refunds.

I note that hearings will soon be had by the House Ways and Means Committee on the proposed Federal gasoline tax increase, and hope this information will be of benefit to you and properly inform you of the thinking of our conference.

Membership of our conference is composed of the motor fuel tax collectors and also tax commissioners or revenue commissioners of the following Midwestern States: Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming. Tax representatives of the oil industry are likewise participants in the conference meetings and discussions.

Very truly yours,
E. W. STEPHENS,
Secretary.

RESOLUTION No. 3

Whereas high State and Federal gasoline taxes already are unduly penalizing the motoring public and raising the specter of gasoline tax evasion; and

Whereas Interstate Highway trust fund revenues would be sufficient if diversions of automotive excise taxes were halted; and

Whereas the recommended 50 percent increase in the Federal gasoline tax will further usurp a field of taxation which should be left to the States: Now, therefore, be it

Resolved, That the Northwest Central States Gasoline Tax Administrators Conference go on record as definitely opposed to any increase in the Federal gasoline tax.

THE HOUSE COMMITTEE LABOR REFORM BILL: A REASONABLE COMPROMISE FOR REASONABLE MEN

Mr. UDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. UDALL. Mr. Speaker, the House will shortly consider the labor-management reform bill completed last week after 6 weeks of intensive work by the House Education and Labor Committee. I present herewith the text of the supplementary views report which the gentleman from Alabama [Mr. ELLIOTT], the gentlewoman from Oregon [Mrs. GREEN], the gentleman from Michigan [Mr. O'HARA], the gentleman from New Jersey [Mr. THOMPSON], and I have prepared and will file with the House when this legislation is reported. As we have stated at the conclusion of our report we are deeply convinced that the bill framed by the House committee "provides a path of reasonable compromise for reasonable men." This report follows:

SUPPLEMENTARY VIEWS

We believe that the bill reported to the House by its Committee on Education and Labor is a fair and effective instrument of labor-management reform.

As is generally known, at the outset of its deliberations our committee elected to use the bill sent to us from the other body (S. 1555) as the basis of our work. It was our objective to give careful scrutiny to each of the provisions of this bill and to improve on S. 1555 wherever possible.

Our 30-member committee is in the best sense a cross-section of the House, and therefore it is understandable that this 73-page bill has many facets which in turn reflect the wide-ranging views and opinions of our membership.

This legislation was hammered out on the committee anvil after 5 weeks of intensive work, and it is quite accurate to say that it in no way reflects any particular bias or point of view—but rather in the composite it represents a committee consensus of the best solution to the problems presented to us by the complex labor-management reform question—and by S. 1555.

Legislation which has for its purpose the correction of abuses which have developed in the labor-management field is, of necessity, both complex and controversial. It must be applied to a wide variety of institutional situations, to small and large unions, to unions which have highly trained administrative staffs and to those which have only volunteer office workers. Therefore, in adopting legislative remedies, legislators must not only be aware of the fact that the abuses which have been disclosed are limited to only a few unions and a few employers, but consideration also must be given to the wide variety of fact situations which will ultimately feel the thrust of such legislation.

Plainly, the labor movement in the United States is facing a difficult period in its development as a balancing force in our free economy. The rapid growth of labor unions has not only contributed greatly to the welfare of working men and women but it also has brought with it abuses of power on the part of certain elements in the movement. In correcting these abuses we should not undermine the collective bargaining strength of unions, nor hamper them in the exercise of their proper functions. Their continued vitality and strength is essential for the protection of workers' rights and as a means of insuring that working men and women share fully in the prosperity of our Nation. We believe that the bill reported by the House committee steers a sound course in correcting abuses and guaranteeing new rights to individual union members on the one hand, while protecting the legitimate operations of labor unions on the other.

It is our considered judgment that the bill reported by our committee is a more workable, effective instrument of reform than S. 1555. We have painstakingly treated all of the problems presented by S. 1555, and have made a conscientious attempt to redraft, or to eliminate, unworkable provisions and to tighten up vague and obscure language. We believe our committee successfully hammered out the rough spots in S. 1555, and it is our conviction that the members of both parties on the committee can take pride in the contribution they made to the rewriting of this vital legislation.

Our deliberations were marked by sharp controversy and intense discussion. Shifting majorities within the committee adopted—or rejected—amendments proposed to S. 1555, and the bill we have reported represents a group judgment on each of the specific amendments presented by our committee colleagues. Obviously it would be humanly impossible to draft a bill that would fully satisfy all of those who will be affected by this legislation. There are some who wanted no bill at all. There are others who sought legislation having punitive features. This will not win the support of

either group—and this fact is itself a powerful argument for the enactment of legislation in the public interest.

With the exception of the codes of ethical practices section, our bill contains the same titles and general subject matter as S. 1555. It has a bill of rights title which enumerates the rights of individual union members; it provides full financial and administrative reporting by unions; and it vests the Secretary of Labor with power to make investigations and prosecute or restrain those who violate its substantive provisions. It protects union members from arbitrary and unjustified imposition of trusteeships; and it insures free and democratic elections through which members can control the policymaking of their unions. Certain amendments are also made to the Taft-Hartley Act which, if enacted, will go far to modify longstanding inequities in the law. These amendments would also remove certain obstacles to sound labor-management relations which have led to abuses by both labor and management in an effort to seek solutions to common problems.

Certain crucial amendments made by the committee with our support deserve further comment because we feel it important that our colleagues in the House fully understand the signficance of these changes and our reason for supporting them.

UNION MEMBER RIGHTS

First, the bill seeks to protect the basic rights of union members within their unions. It guarantees the right of a member to speak freely at union meetings, to voice his sentiments about union policy, to assemble freely with other union members, to control membership and other fees charged by the union, to have safeguards against improper disciplinary action, and to use the legal processes available to all citizens to insure that union officers faithfully execute their duties.

The civil remedies provided in the committee bill parallel those provided by S. 1555, as do the other text changes.

THE POWERS OF THE SECRETARY OF LABOR

Although our bill wisely confines the wide-ranging authority vested in the Secretary by S. 1555 to promulgate rules and regulations, the essential administrative and investigatory powers of the Secretary have been preserved and more sharply defined. The really vital enforcement powers of the Secretary were kept intact, and only in the election regulation title was the Secretary's function curtailed—and in this instance a remedy was substituted which, in our view, will be more efficacious than that provided by S. 1555.

Section 601 of our bill (which was taken from the Barden bill) confers broad powers on the Secretary in the following language:

"The Secretary shall, when he has probable cause to believe that any person has violated any provision of this act, other than a provision of title I, make an investigation, and in connection therewith he may inspect such records and accounts as may be necessary to enable him to determine the facts relative thereto."

Section 210 authorizes the Secretary to secure injunctive relief against any person who "has violated or is about to violate" any of the provisions of title II (reporting).

Section 204 gives the Secretary power to investigate complaints that trusteeship violations have occurred and authorizes him to carry the ball for the individual union member by bringing civil actions to restrain violations and secure other appropriate relief.

S. 1555 authorized the Secretary of Labor to investigate complaints involving violations of the elections title and to bring civil actions (as plaintiff) to secure judicial decrees setting aside invalid elections and providing for new elections. Our committee saw fit to preserve all of the substantive tests on honest secret elections provided in S. 1555, but substituted a remedy which is better adapted to the realities of an election contest within a union. Our bill authorizes a union member, or members (which, as a practical matter, would be persons representing the "losing" or "out" faction in a particular union), to file an action directly in a local Federal district court. If the member, or members, prevail in such action, our bill authorizes the court to award the plaintiffs "a reasonable attorney's fee * * * and costs of the action in court." We strongly feel that, remedy for remedy, relief accorded by the committee bill is the more efficacious. A paramount consideration in these situations is that the prompt settlement of election disputes is important to the stability of a union and the welfare of its members, and we consider it more likely that the losing faction in an election could conduct its contest more expeditiously by hiring aggressive local counsel than by undertaking a trek to Washington to secure the services of the Secretary as plaintiff and moving party.

AFFIDAVITS, EXEMPTIONS, AND NO MAN'S LAND

In three instances our committee provided creative solutions for problems which were dealt with in cursory or oblique fashion in S. 1555.

First, confronted with the one-sided provision of the Taft-Hartley Act which requires non-Communist affidavits from union officers, the drafters of S. 1555 extended this unwieldly oath requirement to every employer in the United States. Our committee faced up to this dilemma and by unanimous action canceled such oaths and provided a more appropriate remedy against Communist infiltration into the councils of labor or management (see sec. 504).

Secondly, whereas the hot potato on the issue of exempting small unions from the detailed financial reporting of section 205 (b) was passed to the Secretary of Labor by S. 1555, our committee decided this policy question and granted a revocable exemption to such unions. We believe this action is fully justified on two grounds: (1) the degree of internal democracy is highest in the smaller unions with the result that the limited financial resources of such unions are already jealously guarded; and (2) for the most part such unions have unpaid officers and reporting would entail an undue burden on these officials. Indeed, the philosophy of this exemption is similar in tenor to that advocated by our committee when it exempted small employers from the reporting requirements of the welfare and pension fund legislation last year.

And lastly, our committee cast aside the ineffectual solution of the no man's land problem embodied in S. 1555, and adopted a provision from the Kearns bill which will require the NLRB to do its own work and give it more manpower and decentralized machinery to make that possible.

SECONDARY BOYCOTTS

The reported bill retains in toto the provisions of S. 1555 which banned all forms of "hot cargo" clauses in contracts negotiated by employers and unions subject to part II of the Interstate Commerce Act (i.e., common carriers). Thus one of the largest loopholes in the protections already afforded by the law which prohibits secondary boycotts has been closed. Outlawing this form of secondary boycott will remove a most oppressive device which has been abused by some Teamster Union officials in their grab for power.

Under the Taft-Hartley Act it is an unfair labor practice to induce or encourage the employees of an employer not engaged in a labor dispute to engage in a strike or concerted refusal to perform services where an object is to force the neutral employer to cease doing business with another employer who is involved in a dispute. In other words, one cannot bring pressure on an employer who is involved in a labor dispute by causing a strike at one of his suppliers or customers.

The "hot cargo" clause which this bill would ban has exactly the same effect both on the public and on the neutral employer. Under the "hot cargo" clauses the union negotiates a contract with a carrier-employer not to handle struck goods or goods which the union considers have been produced under unfair conditions. Thus, without inducing or encouraging the employees of a neutral employer—an act now proscribed by the law—the unions by labeling the goods "hot" can bring about exactly the same effect. By simply telling the neutral employer not to handle the goods of a struck primary employer, the same effect is produced as would result from the type of strike which is now illegal. This bill would close the loophole.

It is settled law that the National Labor Relations Act does not require any employee to cross a primary picket line and that pickets may request him not to cross the picket line (*NLRB* v. *International Rice Milling Company* 341 U.S. 665). The language of the "hot cargo" ban in S. 1555—which your committee adopted—did not impinge in any way on existing law concerning the crossing, or not crossing, of primary picket lines by employees. However, in order to set at rest false apprehensions on this score, the committee appended the disclaimer proviso which appears in section 705(a)(2) of the bill.

FIDUCIARY RESPONSIBILITY

Union officials occupy positions of trust. They hold property of the union and manage its affairs on behalf of the members. It is the duty of union officers, just as it is the duty of all similar trustees, to put their obligations to the union and its members ahead of any personal interest.

The committee bill sets forth this principle unequivocally and declares that union officers and agents occupy positions of trust in relationship to labor organizations and their members. It then sets forth their duties in terms which the common law applies to all persons who undertake to act on behalf of others:

"To hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization."

We affirm that the committee bill is broader and stronger than the provisions of S. 1555 which relate to fiduciary responsibilities. S. 1555 applied the fiduciary principle to union officials only in their handling of "money or other property" (see S. 1555, sec. 610), apparently leaving other questions to the common law of the several States. Although the common law covers the matter, we considered it important to write the fiduciary principle explicitly into Federal labor legislation. Accordingly the committee bill extends the fiduciary principle to all the activities of union officials and other union agents or representatives.

The general principles stated in the bill are familiar to the courts, both State and Federal, and therefore incorporate a large body of existing law applicable to trustees, and a wide variety of agents. The detailed application of these fiduciary principles to a particular trustee, officer or agent has always depended upon the character of the

activity in which he was engaged. They bear upon a family trustee somewhat differently than a corporate director, upon an attorney quite differently than a real estate agent. The bill wisely takes note of the need to consider "the special problems and functions of a labor organization" in applying fiduciary principles to their officers and agents.

Our language does not purport to regulate the expenditures or investments of a labor organization. Such decisions should be made by the members in accordance with the constitution and by-laws of their union. Union officers will not be guilty of breach of trust when their expenditures are within the authority conferred upon them either by the constitution and bylaws or by a resolution of the executive board, convention or other appropriate governing body (including a general meeting of the members) not in conflict with the constitution and by-laws.

However, the committee bill also explicitly invalidates any general provision in a union constitution or bylaws purporting to excuse union officials from breaches of trust. The bill follows the well-established distinction between conferring authority upon an agent or trustee, which is permissible and protects him against liability, and attempting to excuse breaches of trust, which is here made void as against public policy. See Scott, Trusts (second edition) S. 222.1.

The bill also authorizes a union member to bring an action against any official or agent who violates his fiduciary obligations, if the union refuses to sue—and again such member may recover counsel fees and costs if he prevails.

PICKETING

The committee bill retains the exact language of S. 1555 which forbade organizational picketing by a minority union after a Labor Board election or while the employees are being represented by another bona fide union under a collective bargaining agreement which is a bar to an election. These provisions make organizational picketing an unfair labor practice in these two situations where it is unfair to the employer and employees, without curtailing the traditional right of a union to otherwise use peaceful picketing to persuade employees in a nonunion shop to designate the union as their bargaining representative in a Labor Board election.

Although this solution to the problems of organizational picketing may seem too strict to some extremists and too lenient to others, we submit that it is a constructive solution which all moderate men can sincerely support.

The foregoing provisions of the committee bill would amend section 8(b) of the National Labor Relations Act by adding a seventh union unfair labor practice. Subdivision (A) would forbid picketing to secure recognition from an employer or to organize the employees when two conditions are satisfied: (i) the employer has recognized another labor organization as the bargaining representative in accordance with the National Labor Relations Act and (ii) the Labor Board would not permit a change in the bargaining representative.

The first requirement prevents recognition of paper locals or under sweetheart agreements from becoming a bar to picketing by a bona fide union. The incumbent union must have been designated by a majority of the employees without the assistance of an unfair labor practice.

Subdivision (B) forbids organizational picketing for 9 months after a majority of the employees have, by free choice in a Labor Board election, failed to designate a union as their bargaining representative at such election. This 9-months period is a time in which organizational picketing is inappropriate because the employees have expressed their wishes and the organizational activity cannot in any event lead to a prompt election.

As a result of our work on this bill we are deeply convinced that it provides a path of reasonable compromise for reasonable men. It is our hope that it will win the favor of the House—and thus ensure that labor management reform legislation will become law this year.

CARL ELLIOTT,
EDITH GREEN,
JAMES G. O'HARA,
FRANK THOMPSON, Jr.,
STEWART L. UDALL,
Members of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOUNTAIN (at the request of Mr. FORAND), for today, July 27, 1959, on account of official business.

Mr. ALFORD (at the request of Mr. GATHINGS), for today, July 27, 1959.

Mr. THOMPSON of New Jersey (at the request of Mr. FRIEDEL), for Monday, July 27, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY, for 45 minutes, on Monday, August 3.

Mr. RHODES of Pennsylvania, for 1 hour, tomorrow.

Mr. BAILEY, for 45 minutes, on Thursday.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. EVERETT and include extraneous matter.

Mr. HOGAN.

Mr. LANGEN.

Mr. JUDD in two instances.

Mrs. KEE.

Mr. PELLY.

Mr. REUSS.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint resolutions, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 36. An act for the relief of Page A. Wilson; to the Committee on the Judiciary.

S. 281. An act to authorize the Secretary of the Interior to construct, operate, and maintain a regulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho, and for other purposes; to the Committee on Interior and Insular affairs.

S. 464. An act for the relief of Julia Mydlak; to the Committee on the Judiciary.

S. 669. An act to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.; to the Committee on Agriculture.

S. 906. An act to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section; to the Committee on Veterans' Affairs.

S. 1038. An act for the relief of Wong Gar Wah; to the Committee on the Judiciary.

S. 1049. An act for the relief of Rachel Borenstein; to the Committee on the Judiciary.

S. 1392. An act for the relief of Isabel M. Menz; to the Committee on the Judiciary.

S. 1436. An act to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869); to the Committee on Interior and Insular Affair.

S. 1453. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua; to the Committee on Agriculture.

S. 1627. An act for the relief of Mrs. Paula Deml; to the Committee on the Judiciary.

S. 1650. An act for the relief of Edmund A. Hannay; to the Committee on the Judiciary.

S. 1694. An act to extend the existing authority to provide hospital and medical care for veterans who are U.S. citizens temporarily residing abroad to include those with peacetime service-incurred disabilities; to the Committee on Veterans' Affairs.

S. 1945. An act for the relief of Josef Jan Loukotka; to the Committee on the Judiciary.

S. 2208. An act to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

S. 2220. An act to strengthen the Commissioned Corps of the Public Health Service through revision and extension of some of the provisions relating to retirement, appointment of personnel, and other related personnel matters, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2334. An act to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand; to the Committee on Armed Services.

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium; to the Committee on Armed Services.

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability"; to the Committee on House Administration.

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 306. An act to amend the Federal Crop Insurance Act;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 1631. An act for the relief of Joseph B. Kane, Jr.;

H.R. 2594. An act for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 2846. An act for the relief of Dorman William Whittom;

H.R. 3088. An act to amend sections 353 and 354 of the Immigration and Nationality Act;

H.R. 3117. An act for the relief of Albert J. Hicks;

H.R. 3249. An act for the relief of William S. Scott;

H.R. 3460. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes;

H.R. 4060. An act to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run;

H.R. 4524. An act extending the time in which the Boston National Historic Sites Commission shall complete its work;

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.;

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base;

H.R. 6955. An act for the relief of Sallie B. Dickens; and

H.R. 7631. An act to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On July 22, 1959:

H.R. 322. An act for the relief of Monmouth County, N.J.;

H.R. 1605. An act for the relief of Harry F. Lindall;

H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 353. Joint resolution to facilitate the admission into the United States of certain aliens.

On July 27, 1959:

H.R. 836. An act to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; and

H.R. 3460. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

ADJOURNMENT

Mr. MILLS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 23 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 28, 1959, at 12 o'clock noon.

COMMITTEE EMPLOYEES

COMMITTEE ON AGRICULTURE

JULY 14, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John J. Heimburger	Counsel	$8,160.00
Mabel C. Downey	Clerk (January and February).	2,720.00
Francis M. LeMay	Staff consultant	7,489.74
Christine S. Gallagher	Clerk (March, April, May, and June).	4,066.76
Hyde H. Murray	Assistant clerk	4,957.37
Lydia Vacin	Staff assistant	4,397.46
Pauline E. Graves	do	4,171.44
Betty M. Prezioso	do	3,719.28
Alicia F. Shoemaker	do	3,691.02
Gladys N. Ondarcho	do	3,483.78
Haywood W. Taylor	do	2,645.40

Funds authorized or appropriated for committee expenditures	$50,000.00
Amount of expenditures previously reported	None
Amount expended from January 1 to June 30, 1959	1,787.49
Total amount expended from January 1 to June 30, 1959	1,787.49
Balance unexpended as of June 30, 1959	48,212.51

HAROLD D. COOLEY,
Chairman.

COMMITTEE ON APPROPRIATIONS

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Kenneth Sprankle	Clerk and staff director.	$8,209.08
Paul M. Wilson	do	8,209.08
Samuel W. Crosby	Staff assistant	8,143.68
Carson W. Culp	do	8,143.68
Jay B. Howe	do	7,980.18
Ross P. Pope	do	7,980.18
Robert M. Moyer	do	7,980.18
Frank Sanders	do	7,489.74
Eugene B. Wilhelm	do	7,489.74
Robert P. Williams	Editor	6,754.08
Aubrey A. Gunnels	Staff assistant	6,427.08
Robert L. Michaels	do	6,263.58
Kelly Campbell	do	5,854.86
James D. Burris	do	5,691.42
G. Homer Skarin	do	5,527.92
Earl C. Silsby	do	5,241.84
Lawrence C. Miller	Assistant editor	4,284.42
Francis G. Merrill	Staff assistant	4,190.22
Samuel R. Preston	do	3,577.98
Donald F. Berens	Clerical assistant	3,012.78
Kenneth A. Meade	do	2,918.58
Randolph Thomas	Messenger	1,976.58
George S. Green	Clerk to minority	7,489.74
Lucille K. Brand	Clerk-stenographer	2,871.48
Julia M. Elliott	do	2,871.48
Phyllis N. Troy	do	2,871.48
June R. Austin	Clerk-stenographer	$2,392.90
William J. Neary	do	2,871.48
Jeanne C. Smith	do	2,871.48
Catherine D. Norrell	do	2,871.48
Viola W. Grubbs	do	2,871.48
Donald L. Bernard	do	2,871.48
Rosalind E. McGovern.	do	2,871.48
Mary M. Bourbon	do	2,121.71
Rose Marie Kline	do	2,871.48
Mary Lucy Walker	do	2,871.48
Sharon Wells	do	685.96
Silas Taber	do	2,871.48
Phyllis Jeanne Stevens.	do	2,360.99
Margie H. Trew	do	2,871.48
Josephine Birdsall	do	2,871.48
Frank Mentillo	do	2,588.88
Alice Beach	do	2,871.48
Maxine E. Koch	do	2,727.79
Sarah Rutz	do	2,683.08
Elinor L. Malaney	do	2,392.90
Rose M. Sanko	do	1,435.74
Mary A. Vaughan	do	1,563.36
O. Lynne Bradley	do	494.53
Mary Louise Schwarzmann.	do	478.58
John G. Clevenger	do	31.91
Lenore Cummings	do	28.77
Alfred E. Andersen	do	431.48

Funds authorized or appropriated for committee expenditures	
Amount of expenditures previously reported	$208,894.16
Amount expended from Jan. 1 to June 30, 1959	206,327.40
Total amount expended from July 1, 1958, to June 30, 1959	415,221.56
Balance unexpended as of	

CLARENCE CANNON,
Chairman.

COMMITTEE ON APPROPRIATIONS (INVESTIGATIONS STAFF)

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Thomas J. Jenkins	Director, surveys and investigations staff.	$6,492.46
Joseph K. Ponder	Assistant director, surveys and investigations staff.	2,224.10
Lillian M. Mackie	Stenographer	2,902.88
Helen C. Parrish	do	862.96
Robert E. Rightmyer	Director, surveys and investigations staff.	4,625.32
M. Alice Ruml	Stenographer	1,627.17
John J. Donnelly	Consultant	7,500.00

REIMBURSEMENTS TO GOVERNMENT AGENCIES

Agriculture, Department of:		
Hall, George R., Jr.	Editorial Assistant	$2,843.34
Knapp, George C.	do	2,570.47
McVicker, Dwight S.	Investigator	2,991.33
Air Force, Department of the:		
Catterton, Conn D.	do	4,880.40
Zipp, John E.	do	4,648.00

REIMBURSEMENTS TO GOVERNMENT AGENCIES—continued

Name of employee	Profession	Total gross salary during 6-month period
Atomic Energy Commission:		
Ohnstad, Lawrence R.	Investigator	$1,322.10
Federal Bureau of Investigation:		
Bennett, Carl L	do	1,267.84
Bolz, Charles	do	5,603.76
Bowers, Hollis W	do	4,618.56
Chisholm, Leslie B., Jr.	do	5,473.92
Delavigne, Kenneth T.	do	1,017.28
Junay, John M., Jr	do	1,248.48
Emery, Thomas J	do	71.20
Hagan, Paul V	do	1,198.80
Hair, Harold H	do	1,979.04
Hayden, Albert C., Jr.	do	94.24
Haynes, Robert H	do	5,192.32
Hetherington, Karl V.	do	181.12
Horner, James William.	do	127.68
Hutchison, Louis S	do	316.96
Kieffer, Ernest F	do	4,995.92
Light, Myron E	do	936.32
Love, Warren L	do	5,841.12
Magee, E. Huyett	do	2,037.60
Nugent, James E	do	6,935.04
Ponder, Joseph K	do	4,096.64
Reamy, W. Wallace	do	1,448.96
Reiser, Robert E	do	4,315.60
Retirement fund	do	4,061.14
Rose, Don R	do	1,355.20
Ruhl, John A	do	4,618.56
Ryan, John J., Jr	do	769.76
Snyder, Milton L	do	90.56
Tucker, George R	do	92.48
Williams, P. Dennis	do	310.80
Wood, H. Branch	do	92.48
Young, Paul C	do	1,201.68
General Services Administration:		
Abramson, Nathan	do	1,207.21
Barker, Robert B	do	1,952.00
Chapman, Howard K., Jr	do	1,880.58
Rickey, Robert J	do	468.48
Vaughan, Joseph E	do	468.48
Health, Education, and Welfare, Department of:		
Bersano, Peter J	do	2,051.41
Interior, Department of the:		
Baker, Charles C	do	973.32
National Bureau of Standards	do	23,841.14
Post Office Department:		
Clark, Franklin M	Editorial assistant	1,724.06
Travel and miscellaneous expenses		38,221.85

Funds authorized or appropriated for committee expenditures	$500,000.00
Amount of expenditures previously reported	224,329.96
Amount expended from Jan. 1 to June 30, 1959	189,870.12
Total amount expended from July 1, 1958 to June 30, 1959	414,200.08
Balance unexpended as of June 30, 1959	85,799.92

CLARENCE CANNON,
Chairman.

COMMITTEE ON ARMED SERVICES

JULY 1, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert W. Smart	Chief counsel	$8,209.08
John R. Blandford	Counsel	8,184.54
Charles F. Ducander	Counsel (to Jan. 22)	954.86
Philip W. Kelleher	Counsel	8,184.54
Frank M. Slatinshek	Counsel (from Feb. 1).	5,293.24
Oneta L. Stockstill	Committee secretary.	3,860.58
Berniece Kalinowski	Secretary	3,860.58
L. Louise Ellis	do	3,530.88
Marie M. Abbott	do	3,092.82
M. Jane Binger	do	2,763.38
James A. Deakins	Bill clerk	3,092.82

OFFICE OF SPECIAL COUNSEL OPERATING PURSUANT TO HOUSE RESOLUTIONS 19 AND 20, 86TH CONGRESS

John J. Courtney	Special counsel	$8,209.08
Lloyd Kuhn	Staff assistant	4,416.31
Dorothy Britton	Secretary	3,564.66
Jane Wheelahan	do	2,965.46
Adeline Tolerton	Clerk	2,871.48
William H. Sandweg	Assistant counsel (from May 14).	1,403.92

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	----------
Amount expended from January to June 1959	25,776.60
Total amount expended from January to June 1959	25,776.60
Balance unexpended as of July 1, 1959	124,223.40

PAUL VINSON,
Chairman.

COMMITTEE ON BANKING AND CURRENCY

JULY 1, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Robert L Cardon	Clerk and general counsel	$8,209.08
John E Barriere	Majority staff member	8,209.08
Orman S Fink	Minority staff member	8,209.08
Robert R Poston	Counsel	8,209.08
Helen E Long	Deputy clerk	4,841.10
Mary W Layton	Assistant clerk	4,841.10
John M Devlin	Editor	6,672.30
Marguerite Bean	Secretary to chairman (appointed Mar 1, 1959)	3,739.76
Ferrol Davis	Stenographer to minority member (Feb 20, 1959)	2,569.70

EMPLOYEES PURSUANT TO HOUSE RESOLUTION 81, SUBCOMMITTEE ON HOUSING

Kenneth W. Burrows	Economist (Apr 1, 1959)	$3,377.04
Eleanor N. Hamilton	Research assistant	3,300.06
John J McEwan, Jr	Housing economist	8,214.08
Alberta Masumian	Secretary	3,747.90
Grady Perry, Jr	Clerk	5,017.18
Betty B. Ridgell	Secretary (Jan. 1-3, 1959).	64.34
Margaret E Tucker	Secretary (Mar. 2, 1959).	2,480.63

Funds authorized or appropriated for committee expenditures	$105,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1 to June 30, 1959	29,859.40
Total amount expended from Jan. 1 to June 30, 1959	29,859.40
Balance unexpended as of June 30, 1959	75,140.60

BRENT SPENCE,
Chairman.

COMMITTEE ON THE DISTRICT OF COLUMBIA

JULY 1, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Hayden S. Garber	Counsel	$7,489.74
Leonard O. Hilder	Investigator	5,527.92
George W. McCown	Assistant clerk and research analyst.	4,472.82
W. N. McLeod, Jr	Clerk	8,143.68
Dixon D. Davis	Assistant clerk	3,147.06
Wendell E. Cable	Minority clerk, taken off rolls Mar. 31, 1959.	3,744.87
Donald J. Tubridy	Minority clerk, effective Jan. 15, 1959.	4,630.40
Ruth Butterworth	Assistant clerk	4,435.14
Ann L. Puryear	do	3,625.08
Total		45,216.71

Funds authorized or appropriated for committee expenditures	$10,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1 to June 30, 1959	174.00
Total amount expended from Jan. 1 to June 30, 1959	174.00
Balance unexpended as of June 30, 1959	9,826.00

JOHN L. MCMILLAN,
Chairman.

COMMITTEE ON EDUCATION AND LABOR

JULY 13, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Fred G. Hussey	Chief clerk (Jan. 1 to Mar. 31, 1959).	$4,080.00
Russell C. Derrickson	Acting clerk	8,160.00
Charles M. Ryan	General counsel	8,160.00
Charles T. Lane	Assistant general counsel.	8,160.00
Melvin W. Sneed	Minority clerk	8,160.00
Kathryn Kivett	Assistant clerk	3,565.42
Brenda George	Assistant clerk (Apr. 1 to June 15, 1959).	1,479.05

Name of employee	Profession	Total gross salary during 6-month period
Elizabeth M. Myers	Assistant clerk (Jan. 1 to Mar. 12, 1959).	$1,419.89
Ida S. Miller	Assistant clerk (June 1 to June 30, 1959).	607.32
Katherine L. Ferebee	Assistant clerk	3,565.42
Jeanne E. Thomson	Assistant clerk (minority).	3,565.42
Gladys M. Rafter	Assistant clerk (Mar. 23 to June 30, 1959).	1,948.33
John D. Bell	Editor (Mar. 16 to June 30, 1959).	2,918.37
Mary P. Allen	Subcommittee clerk	3,499.24
Charles H. Backstrom.	Research assistant (subcommittee).	4,085.03
Reva Beck Bosone	Legal counsel for subcommittee.	6,250.85
Ruth P. Ebersole	Assistant subcommittee clerk.	1,250.73
Robert E. McCord	Subcommittee clerk	4,944.53
Yvonne S. McCormick.	Subcommittee clerk (Jan. 1 to May 31, 1959).	2,927.08
W. Wilson Young	Legal counsel for subcommittee.	6,283.20
Russell Riggs	Subcommittee clerk (June 4 to June 30, 1959).	546.59
Harry V. Barnard	Research assistant (subcommittee) (June 1 to June 30, 1959).	666.97
Olive M. Gibbons	Stenographer (subcommittee) (June 6 to June 30, 1959).	367.08
John T. Hallahan	Assistant director for administration (subcommittee) (June 16 to June 30, 1959).	458.61

Funds authorized or appropriated for committee expenditures	$160,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1 to June 30, 1959	40,569.98
Total amount expended from Jan. 1 to June 30, 1959	40,569.98
Balance unexpended as of June 30, 1959	119,430.02

GRAHAM A. BARDEN,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS

JULY 6, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Boyd Crawford	Staff administrator	$8,209.07
Roy J. Bullock	Senior staff consultant.	8,115.07
Albert C. F. Westphal.	Staff consultant	8,115.07
Dumond Peck Hill	do	7,812.62
Franklin J. Schupp	do	7,538.78
June Nigh	Senior staff assistant.	5,854.88
Winifred G. Osborne	Staff assistant	5,527.92
Helen C. Mattas	do	5,142.30
Myrtle M. Melvin	do	5,020.90
Helen L. Hashagen	do	5,020.90
Mary Louise O'Brien	do	4,930.98
Robert J. Bowen	Clerical assistant	3,612.73

Funds authorized or appropriated for committee expenditures	$150,000.00
Amount of expenditures previously reported	----------
Amount expended from January 1 to June 30, 1959	2,169.26
Total amount expended from January 1 to June 30, 1959	2,169.26
Balance unexpended as of June 30, 1959	147,830.74

THOMAS E. MORGAN,
Chairman.

COMMITTEE ON GOVERNMENT OPERATIONS

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Expenses Jan. 4 to June 30, 1959:	
Full committee	$1,770.68
Executive and Legislative Reorganization Subcommittee	41,028.88
Military Operations Subcommittee	42,221.41
Government Activities Subcommittee	24,280.31
Intergovernmental Relations Subcommittee	18,831.61
Foreign Operations and Monetary Affairs Subcommittee	31,359.22
Special Donable Property Subcommittee	15,992.00
Special Government Information Subcommittee	31,509.06
Special Subcommittee on Reno Highways, Feb. 1 to Apr. 30 1959	11,218.06
Public Works and Resources Subcommittee, Jan. 4–31, 1959	3,934.62
Legal and Monetary Affairs Subcommittee, Jan. 4–31, 1959	4,960.80
Salaries, full committee, Jan. 1 to June 30, 1959:	
Christine Ray Davis, staff director	8,200.90
Orville S. Poland, general counsel	7,600.90
James A. Lanigan, associate general counsel	8,041.50
Martha C. Roland, staff member	6,602.82
J. Robert Brown, staff member	6,263.58
Dolores Fel'Dotto, staff member	4,397.46
Ann E. McLachlan, staff member	3,728.70
Patricia Maheux, staff member	3,603.88
Helen M. Boyer, minority professional staff	7,489.74
J. P. Carlson, minority counsel	6,884.82
Expenses Jan. 4 to June 30, 1959:	
Full committee, travel, publications, telephone, stationery supplies—full committee and subcommittees	1,770.68

Executive and Legislative Reorganization Subcommittee, Hon. WILLIAM L. DAWSON, chairman:

Elmer W. Henderson, counsel	6,561.09
Phineas Indritz, counsel, Feb. 1 to June 30, 1959	5,502.35
Orville J. Montgomery, associate counsel	6,492.77
David Glick, associate counsel	5,355.43
Arthur Perlman, investigator, May 1 to June 30, 1959	2,083.78
Lawrence P. Redmond, clerk	4,074.13
Earle J. Wade, statistical clerk	4,074.13
William A. Young, professional staff member, Jan. 4 to Mar. 31, 1959	3,027.40
Irene Manning, clerk-stenographer, Feb. 1 to June 30, 1959	2,824.65
Clara K. Armstrong, minority clerk-stenographer, Jan. 4–31, 1959	503.49
Expenses	529.66
Total	41,028.88

Military Operations Subcommittee, Hon. CHET HOLIFIELD, chairman:

Herbert Roback, staff administrator	8,154.01
Carey Brewer, senior defense specialist	6,159.19
Earl J. Morgan, chief investigator	6,159.19
John Paul Ridgely, investigator	4,884.20
Robert J. McElroy, investigator	4,120.38
Douglas G. Dahlin, legal analyst, Mar. 1 to June 30, 1959	2,605.12
Richard Ravitch, legal analyst, Mar. 1 to June 30, 1959	2,404.16
Mollie Jo Hughes, clerk-stenographer	3,657.29
Catherine L. Koeberlein, clerk-stenographer	3,537.97
Expenses	539.90
Total	42,221.41

Government Activities Subcommittee, Hon. JACK BROOKS, chairman:

Edward C. Brooks, Jr., staff administrator	$7,043.36
James McInnes Henderson, counsel	6,438.28
John E. Moore, investigator	5,145.87
L. Russell Harding II, investigator, Apr. 1 to June 30, 1959	1,501.68
Irma Reel, clerk	3,245.06
Expenses	906.06
Total	24,280.31

Intergovernmental Relations Subcommittee, Hon. L. H. FOUNTAIN, chairman:

James R. Naughton, counsel	6,239.60
Delphis C. Goldberg, professional staff member	6,199.43
Eileen M. Anderson, clerk-stenographer	3,352.53
Bebe B. Terry, clerk-stenographer	2,916.25
Expenses	123.80
Total	18,831.61

Foreign Operations and Monetary Affairs Subcommittee, Hon. PORTER HARDY, JR., chairman:

John T. M. Reddan, chief counsel	6,500.00
Richard P. Bray, Jr., counsel	6,319.94
Walton Woods, investigator	5,918.05
Miles Q. Romney, counsel, Feb. 1 to June 30, 1959	4,606.60
Phyllis Seymour, clerk	3,657.29
Yvonne J. Kurtak, stenographer	2,730.99
Expenses	1,626.35
Total	31,359.22

Special Donable Property Subcommittee, Hon. JOHN W. MCCORMACK, chairman:

Ray Ward, staff administrator	7,364.91
John Warren McGarry, counsel, Jan. 4–31, 1959	825.51
Margaret B. O'Connor, clerk-stenographer	3,286.77
Barbara McLaughlin, clerk-typist	1,702.16
Clara K. Armstrong, minority clerk-stenographer, Feb. 1 to June 30, 1959	2,797.15
Expenses	15.50
Total	15,992.00

Special Government Information Subcommittee, Hon. JOHN E. MOSS, chairman:

Samuel J. Archibald, staff administrator	7,364.91
John J. Mitchell, chief counsel	7,244.31
Paul Southwick, professional staff member	5,958.23
Harry S. Weidberg, assistant counsel, Mar. 1 to June 30, 1959	3,335.28
Helen Beasley, stenographer	3,657.29
Catherine Hartke, stenographer	3,657.29
Expenses	291.75
Total	31,509.06

Special Subcommittee on Reno Highways, Hon. JOHN A. BLATNIK, chairman:

Arthur Perlman, investigator, Feb. 1 to Apr. 30, 1959	3,125.67
Jerome S. Plapinger, counsel, Feb. 1 to Apr. 22, 1959	3,412.00
Expenses	4,680.39
Total	11,218.06

Public Works and Resources Subcommittee, Hon. ROBERT E. JONES, chairman:

Arthur Perlman, staff administrator, Jan. 4–31, 1959	1,206.23
Phineas Indritz, counsel, Jan. 4–31, 1959	990.42
Miles Q. Romney, professional staff member, Jan. 4–31, 1959	829.19
Irene Manning, clerk-stenographer, Jan. 4–31, 1959	508.44
Joan D. Alexander, stenographer, Jan. 4–31, 1959	400.34
Total	3,934.62

Legal and Monetary Affairs Subcommittee, Hon. JOHN A. BLATNIK, chairman:

Curtis E. Johnson, staff administrator, Jan. 4–31, 1959	829.19
Jerome S. Plapinger, counsel, Jan. 4–31, 1959	1,123.46
Eric W. Weinman, associate counsel, Jan. 4–31, 1959	990.42
Jerome N. Sonosky, associate counsel, Jan. 4–31, 1959	685.05
John L. Anderson, investigator, Jan. 4–31, 1959	816.93
Ann Dominek, stenographer, Jan. 4–31, 1959	488.65
Expenses	27.10
Total	4,960.80

Funds authorized or appropriated for committee expenditures	640,000.00
Amount of expenditures previously reported	None

Amount expended from Jan. 4 to June 30, 1959	$227,106.65
Total amount expended from Jan. 4 to June 30, 1959	227,106.65
Balance unexpended as of July 1, 1959	412,893.35

WILLIAM L. DAWSON,
Chairman.

COMMITTEE ON HOUSE ADMINISTRATION

JUNE 30, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Julian P. Langston	Chief clerk	$8,209.08
Marjorie Savage	Assistant clerk	7,081.02
John F. Haley	do	5,048.45
Mary F. Stolle	do	1,095.59
Jack Watson	do	1,951.62

Funds authorized or appropriated for committee expenditures	$10,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 29 to June 30, 1959	5,080.68
Total amount expended from Jan. 29 to June 30, 1959	5,080.68
Balance unexpended as of June 30, 1959	4,919.32

OMAR BURLESON,
Chairman.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

JULY 7, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Professional Staff:		
Sidney L. McFarland.	Engineering consultant and professional staff director.	$7,530.60
T. Richard Witmer.	Counsel	7,185.25
John L. Taylor	Territorial and Indian consultant.	7,185.25
George H. Soule, Jr.	Minerals and lands consultant (to Jan. 31, 1959).	1,148.15
Karl S. Landstrom	Minerals and lands consultant (from Feb. 12, 1959).	5,319.76
Clerical Staff:		
Nancy J. Arnold	Chief clerk	6,100.14
Laura A. Moran	Assistant chief clerk.	4,190.30
Dixie S. Duncan	Clerk (from Jan. 3, 1959).	3,445.07
Marion J. Gummelt.	Clerk	3,036.30
Virginia E. Bedsole.	do	3,002.56
Penelope P. Harvison.	Clerk (from Jan. 3, 1959).	2,832.76
Gertrude S. Harris	Clerk (to Jan. 2, 1959)	50.74
Pauline B. Davis	do	30.86

Funds authorized or appropriated for committee expenditures	$60,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1 to June 30, 1959	[1] 3,928.08
Total amount expended from Jan. 1 to June 30, 1959	3,928.08
Balance unexpended as of June 30, 1959	56,071.92

[1] Includes $976.99 paid Paul M. Tyler, special consultant, and $880.25 paid Robert J. Hunter, special consultant.

WAYNE N. ASPINALL,
Chairman.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

JULY 1, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Clerical staff:		
W. E. Williamson	Clerk	$8,160.00
Kenneth J. Painter	First assistant clerk.	6,508.80
Marcella M. Fencl	Assistant clerk	3,954.78
Glenn L. Johnson	Printing editor	5,773.14
Georgia G. Glasmann.	Assistant clerk-stenographer (to Jan. 31, 1959).	604.18
Edward F. Jones	Staff assistant (to June 15, 1959).	5,516.83
Joanne Neuland	Clerical assistant	3,389.58
Mildred H. Lang	do	3,389.58
Mary Ryan	do	3,389.58
Roy P. Wilkinson	Assistant clerk	3,342.48
Professional staff:		
Andrew Stevenson	Expert	8,160.00
Kurt Borchardt	Legal counsel	8,160.00
Sam G. Spal	Research specialist	8,160.00
Martin W. Cunningham.	Aviation consultant.	8,160.00
Additional temporary employees under House Resolution 56, amended and House Resolution 136, amended:		
Gladys Johnson	Clerical assistant	3,295.38
Angus L. MacLean.	Staff assistant (from Feb. 15, 1959).	4,513.77
Elsie M. Karpowich	Clerical assistant	3,295.38

Funds authorized or appropriated for committee expenditures	$475,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 4 to June 30, 1959	72,977.20
Total amount expended from Jan. 4 to June 30, 1959	72,977.20
Balance unexpended as of June 30, 1959	402,022.80

OREN HARRIS,
Chairman.

Name of employee	Profession	Total gross salary during 6-month period
Special Subcommittee on Legislative Oversight:		
Robert W. Lishman.	Consultant (contract to Mar. 31, 1959); chief counsel (from Apr. 1, 1959).	$7,080.00
Beverly M. Coleman.	Principal attorney (from Apr. 6, 1959).	3,542.56
Special Subcommittee on Legislative Oversight—Con.		
Julius Eanet	Attorney (from Apr. 1, 1959).	$3,332.07
Oliver Eastland	Attorney	7,162.74
Charles P. Howze, Jr.	Attorney (from Apr. 15, 1959).	2,125.77
Mary Louise Ramsey.	Attorney (from Apr. 27, 1959).	2,445.02
Hugh M. Hall, Jr.	Research specialist (from June 1, 1959).	725.07
Stuart C. Ross	Consultant (from Apr. 19, 1959).	3,000.70
Raymond W. Martin.	Special assistant	4,056.28
Lurlene Wilbert	Executive secretary (from Mar. 16, 1959).	2,114.63
Dolores K. Dougherty.	Stenographer clerk (from Apr. 6, 1959).	1,556.16
Jane Peigler	Stenographer clerk (from Apr. 10 1959).	1,464.62
Blanche R. Plant	Stenographer clerk (from Apr. 1, 1959).	1,647.69
Herman Clay Beasley.	Chief clerk	6,463.86
Inge H. Barton	Clerical assistant (from Feb. 1, 1959).	2,432.15
Jack Marshall Stark.	Minority counsel (from June 1, 1959).	1,250.33
Dorothy B. Hass	Secretary to minority counsel (from June 23, 1959).	146.48

COMMITTEE ON THE JUDICIARY

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bess E. Dick	Staff director	$8,209.08
William R. Foley	General counsel	8,209.08
Walter M. Besterman.	Legislative assistant.	8,209.08
Walter R. Lee	do	8,209.08
Murray Drabkin	Counsel	5,854.90
William H. Crabtree	Associate counsel (from Mar. 1, 1959).	3,903.24
Carrie Lou Allen	Clerical staff (from Apr. 1, 1959).	1,765.44
Anne J. Berger	Clerical Staff	5,020.92
Frances Christy	do	4,841.10
Garner J. Cline	Assistant counsel	5,020.92
Mary Dematteis	Clerical staff	3,813.48
Helen Goldsmith	do	4,378.62
Velma Smedley	do	5,020.92
Lola Oberman	Clerical staff (to Mar. 21, 1959).	2,055.16

SALARIES PAID JANUARY 1 THROUGH JUNE 30, 1959, PURSUANT TO HOUSE RESOLUTION 27 AND HOUSE RESOLUTION 92, 86TH CONGRESS

Carrie Lou Allen	Clerk-stenographer	$1,527.61
Leonard Appel	Assistant counsel, Antitrust Subcommittee.	6,159.19
Robert E. Bauman	Messenger	32.19
David G. Berger	Assistant counsel	1,338.91
Gertrude C. Burak	Clerk-stenographer	4,120.38
Jane C. Caldwell	Clerk-typist	891.73
Roberta E. Eisenberg.	Clerk-stenographer	3,472.03

SALARIES PAID JANUARY 1 THROUGH JUNE 30, 1959, PURSUANT TO HOUSE RESOLUTION 27 AND HOUSE RESOLUTION 92, 86TH CONGRESS—continued

Name of employee	Profession	Total gross salary during 6-month period
Alexander E. Finger	Assistant counsel	$3,022.97
Herbert Fuchs	do	5,918.05
Constance E. Glagola	Clerk-typist	248.48
Kenneth R. Harkins	Counsel	7,847.18
R. Frederick Jett	Assistant counsel	5,757.28
Michael Kelemonick	Clerk	3,101.51
Herbert N. Maletz	Counsel	7,847.18
Elizabeth G. Meekins	Clerk-stenographer	3,472.03
Howard A. Nanes	Clerk	501.35
Richard C. Peet	Assistant counsel	4,606.60
Mary P. Shea	Clerk-stenographer	1,773.99
Regina H. Simms	do	1,086.40
Julian H. Singman	Assistant counsel	5,918.05
Agnes Sue Sullivan	Clerk-stenographer	1,974.95
Stephen L. Williams	Messenger	1,598.82

Funds authorized or appropriated for committee expenditures	$200,000.00
Amount of expenditures for period Jan. 1 to July 1, 1959	78,299.89
Balance unexpended as of July 1, 1959	121,700.11
H. Res. 92, adopted Jan. 29, 1959	200,000.00

Funds for preparation of United States Code, District of Columbia Code, and revision of the laws:

A. Preparation of new edition of United States Code (no year):	
Unexpended balance Dec. 31, 1958	$46,403.12
Expended, Jan. 1 to June 30, 1959	28,280.82
Balance, June 30, 1959	18,122.30
B. Preparation of new edition of District of Columbia Code (no year):	
Unexpended balance Dec. 31, 1958	92,436.69
Expended, Jan. 1 to June 30, 1959	149.11
Balance, June 30, 1959	92,287.58
C. Revision of the laws 1959:	
Unexpended balance Dec. 31, 1958	8,147.44
Expended, Jan. 1 to June 30, 1959	8,045.71
Balance, June 30, 1959	101.73

EMANUEL CELLER,
Chairman.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
John M. Drewry	Chief counsel	$8,160.00
Bernard J. Zincke	Counsel	7,653.24
Robert H. Cowen	do	7,653.24
William B. Winfield	Chief clerk	7,081.02
Frances Still	Assistant clerk	4,679.22
Ruth E. Brookshire	do	3,719.28
Vera A. Barker	Secretary	3,719.28
Edith W. Gordon	do	3,719.28
E. M. Tollefson	Minority clerk	4,253.03

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 3 to June 30, 1959	$15,571.40
Total amount expended from Jan. 3 to June 30, 1959	15,571.40
Balance unexpended as of June 30, 1959	59,428.60

HERBERT C. BONNER,
Chairman.

POST OFFICE AND CIVIL SERVICE COMMITTEE

JULY 13, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Frederick C. Belen	Chief counsel	$8,209.08
Charles E. Johnson	Counsel	7,857.60
Henry C. Cassell	Clerk	7,489.74
Bun Benton Bray, Jr.	Professional staff member.	7,101.48
Clarence R. Jauchem	do	7,101.48
John B. Price	Assistant clerk	4,190.22
Lillian L. Hopkins	do	4,096.08
Lucy K. Daley	do	3,907.68
Elsie E. Thornton	Secretary	3,106.98
Blanche M. Simons	do	3,106.98

Funds authorized or appropriated for committee expenditures	$75,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 29 to June 30, 1959	12,353.81
Total amount expended from Jan. 29 to June 30, 1959	12,353.81
Balance unexpended as of June 30, 1959	62,646.19

TOM MURRAY,
Chairman.

COMMITTEE ON PUBLIC WORKS

JULY 13, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Margaret R. Beiter	Staff director	$8,209.08
Richard J. Sullivan	Chief counsel	8,209.08
Robert F. McConnell	Counsel	8,160.00
Joseph R. Brennan	Engineer-consultant.	8,209.08
Helen M. Dooley	Staff assistant	6,536.06
S. Philip Cohen	do	4,190.22
Helen A. Thompson	do	4,679.22
Dorothy Beam	do	4,190.22
Ester M. Saunders	Clerk-messenger	2,306.28
Anna McHale	Staff assistant (Jan. 1 to Apr. 39).	1,104.36
Stephen V. Feeley	Subcommittee clerk (appointed June 1).	975.81
Investigating Staff:		
Sterlyn B. Carroll	Clerk-messenger	$1,572.96
Gerry C. Corcoran	Clerk-stenographer (Jan. 1 to Apr. 30).	2,215.76
Stephen V. Feeley	Professional staff member (Jan. 1 to May 31).	4,449.77
Agnes M. GaNun	Clerk-stenographer	3,223.64
Marshall Gerber	Subcommittee clerk	4,490.90
Mary W. Porter	Clerk-stenographer	3,719.28
John A. O'Connor, Jr.	Subcommittee clerk (appointed Mar. 1).	3,044.68
Jerome N. Sonosky	Subcommittee clerk (appointed Feb. 1).	3,805.85
Jack D. Warren	Subcommittee clerk (appointed June 1).	478.58
Perry House	Staff assistant (Jan. 1-3).	76.12
Vern Munger	Professional staff member (Jan. 1-3).	76.12
Florence I. Porter	Clerk-stenographer (Jan. 1-3).	46.29
Benjamin F. Nolan	Professional staff member (Feb. 15-28).	333.95

Funds authorized or appropriated for committee expenditures	$125,000.00
Amount of expenditures previously reported	----------
Amount expended from Jan. 1 to June 30	22,779.80
Total amount expended from Jan. 1 to June 30	22,779.80
Balance unexpended as of June 30, 1959	102,220.20

CHARLES A. BUCKLEY,
Chairman.

COMMITTEE ON RULES

JULY 14, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession (Standing or Select Committee)	Total gross salary during 6-month period
T. M. Carruthers	Clerk, standing committee.	$6,263.58
Barbara M. Thornton.	Assistant clerk (Jan. 1-31, 1959).	682.68
Sarah G. Billingsley	Assistant clerk (Jan. 21, 1959 forward).	3,907.68
Jane W. Snader	Minority clerk	4,567.02

HOWARD W. SMITH,
Chairman.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

JULY 6, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4 to June 30, 1959, inclusive, together

with total funds authorized or appropriated and expended by it:

Name of employee	Profession (Standing or Select Committee)	Total gross salary during 6-month period
Joseph Anthony Moran.	Legal consultant (Jan. 4 to Feb. 3, inclusive).	$1,221.76
Janice G. Angell	Secretary (Feb. 6 to 23, inclusive).	450.11
Harney S. Bogan, Jr.	Legal consultant	6,664.14
John A. Carstarphen, Jr.	Counsel (Mar. 1 to June 30, inclusive).	4,502.72
C. Otis Finch	Assistant (Apr. 1 to June 30, inclusive).	2,683.08
Richard P. Hines	Staff consultant	6,664.14
Eva F. Lopez	Secretary (Mar. 19 to June 30, inclusive).	2,283.37
Eunice A. Walker	Secretary (Apr. 16 to June 30, inclusive).	1,210.17
Raymond Wilcove	Staff consultant	7,714.56
Charles F. Ducander	Executive director and Chief Counsel (Jan. 22 to June 30, inclusive).	7,251.35
Charles S. Sheldon II	Technical director	8,117.87
Spencer M. Beresford	Special counsel	8,117.87
Philip B. Yeager	Special consultant	8,117.87
Jean Cameron	Secretary	3,472.03
Mary L. Myron	do	2,730.99
Jane J. Zetty	Secretary (Mar. 1 to June 30, inclusive).	2,253.44
Mary A. Robert	Secretary (Feb. 24 to June 30, inclusive).	2,049.23
Emily Dodson	Secretary (Mar. 23 to June 30, inclusive).	1,853.11

Funds authorized or appropriated for committee expenditures	$300,000.00
Amount of expenditures previously reported	None
Amount expended from Jan. 4 to June 30, 1959	39,381.02
Total amount expended from Jan. 4 to June 30, 1959	39,381.02
Balance unexpended as of July 1, 1959	260,618.98

OVERTON BROOKS,
Chairman.

COMMITTEE ON UN-AMERICAN ACTIVITIES
JULY 10, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Donald T. Appell	Investigator	$6,754.08
Richard Arens	Staff director	8,200.90
Juliette P. Joray	Recording clerk	5,282.70
Thelma S. Michalowski.	Secretary to investigators.	4,359.78
Isabel B. Nagel	Clerk-stenographer	3,625.08
Rosella A. Purdy	Secretary to counsel	4,359.78
Frank S. Tavenner, Jr.	Counsel	8,200.90
Anne D. Turner	Chief of reference service.	5,323.56
Lorraine Veley	Clerk-stenographer	3,436.68
William A. Wheeler	Investigator	6,590.58
Investigating committee:		
June D. Allen	Clerk-stenographer (resigned May 31).	$1,843.40
Margaret Bentz Attinello.	Information specialist (resigned Mar. 31).	2,000.91
Beatrice P. Baldwin	Clerk-typist	2,494.68
Patrice Mahon Baurkot.	Clerk-stenographer	2,337.68
Frank J. Bonora	Investigator	4,661.22
Jeanne M. Cassebaum.	Clerk-stenographer (resigned February 28).	665.14
Raymond T. Collins	Investigator	4,661.22
William Cook	Clerk-typist (appointed June 9).	247.34
Patricia R. Crovato	Research clerk	2,099.04
Jonna Lynne Cullen	Clerk-typist (appointed June 15).	179.88
Anniel Cunningham.	Information analyst	3,460.20
Barbara Harriet Edelschein.	Editor	2,965.68
Elizabeth L. Edinger.	do	3,436.68
Emily R. Francis	Information analyst	2,306.28
Paul C. Gerhart	Investigator	4,472.82
Helen M. Gittings	Research analyst	4,284.42
Lillian E. Howard	do	4,048.98
Walter B. Huber	Consultant (appointed Jan. 4).	6,561.09
Lois Marion Kahl	Clerk-typist (appointed Mar. 2).	1,490.44
Maura Patricia Kelly.	Research analyst	2,758.44
Leo A. Kirk	Consultant (resigned Feb. 28).	129.12
Olive M. King	Editor	4,143.18
Stephen V. Kopunek.	Clerk-typist	2,584.14
Gwendolyn L. Lewis.	Administrative assistant.	5,282.70
Judith D. Livingstone.	Clerk-typist (appointed June 15).	179.88
William Margetich	Investigator	3,012.78
Lewis MaGouirk	Clerk-typist (June 3-30).	314.79
Francis J. McNamara.	Research consultant	6,100.14
Vincent J. Messina	Research clerk (appointed June 15).	196.63
Jane S. Muller	Information analyst (appointed June 15).	223.42
Maureen P. Ontrich	Clerk-stenographer	2,814.96
Alma T. Pfaff	Research clerk	2,306.28
Katharine Phillips	Switchboard operator.	2,376.91
Josephine S. Randolph.	Research clerk	2,683.08
Louis J. Russell	Investigator	5,446.20
Doris P. Shaw	Information analyst (appointed Feb. 1).	2,094.60
Regina H. Simms	Clerk-stenographer (resigned Feb. 22).	796.88
Lawrence S. Stepelevich.	Clerk-typist (resigned Feb. 28).	601.00
Lela Mae Stiles	Information analyst	2,814.96
William J. Tate, Jr.	Clerk-typist (resigned Feb. 8).	427.22
Joseph T. Timony	Clerk-typist (appointed Feb. 10).	1,585.22
Eleanor Ann Tehan	Clerk-stenographer	2,758.44
Vera L. Watts	do	3,191.76
Billie Wheeler	do	1,845.84
George C. Williams	Investigator	6,141.00
Jeanni O. Winston	Information anlayst (resigned Feb. 28).	1,051.36

Funds authorized or appropriated for committee expenditures	$327,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 4 to July 1, 1959	147,334.18
Total amount expended from Jan. 4 to July 1, 1959	147,334.18
Balance unexpended as of July 1, 1959	179,665.82

FRANCIS E. WALTER,
Chairman.

COMMITTEE ON VETERANS' AFFAIRS
JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Standing committee:		
Oliver E. Meadows	Staff director (P)	$8,160.00
Harold A. L. Lawrence.	Professional aide (minority).	8,160.00
Edwin B. Patterson	Counsel (P)	5,440.00
J. Buford Jenkins	Professional aide	7,162.74
George W. Fisher	Clerk	8,160.00
Ida Rowan	Administrative aide (minority).	7,489.74
Paul K. Jones	Assistant clerk	5,854.86
Helen A. Biondi	do	4,761.67
Alice V. Matthews	Clerk-stenographer	4,001.82
George J. Turner	Assistant clerk, supplies.	3,860.58
Investigative staff:		
Adin M. Downer	Staff member	5,893.28
Joanne Doyle	Clerk stenographer	2,949.57
Ann Macon Foster	Clerk-typist	144.46
Frank N. Ikard, Jr.	Supply clerk	174.86
Jean Johnson	Clerk-stenographer	2,949.57
William T. McDonald, Jr.	Clerk-typist	368.68
Paul H. Smiley	Investigator	3,480.31
John Billie Smith	do	2,594.14
Edward Lee Teer	do	2,781.96
Mark L. Davis	Clerk-messenger	337.28

Funds authorized or appropriated for committee expenditures	$110,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1 to June 30, 1959	26,446.52
Total amount expended from Jan. 1 to June 30, 1959	26,446.52
Balance unexpended as of June 30, 1959	83,553.48

OLIN E. TEAGUE,
Chairman.

JUNE 29, 1959.

COMMITTEE ON WAYS AND MEANS

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 1 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Full committee:	
Irwin, Leo H., chief counsel (C)	$8,209.08
Martin, Thomas A., minority counsel (P)	8,209.08
Martin, John M., Jr., assistant chief counsel (P)	7,898.44
Brannon, Gerard M., professional assistant (P)	7,530.60
Dring, James F., professional assistant (P) (from June 16, 1959)	598.65
Rashish, Myer, professional assistant (P) (from Jan. 4 to Apr. 30, 1959)	4,655.78
Ture, Norman B., professional assistant (P) (from May 1 to June 14, 1959)	1,970.72
Brannock, Virginia, staff assistant (C)	3,978.30
Butler, Virginia, staff assistant (C)	4,077.18
Burd, Sybil, staff assistant (C)	3,978.30
Donovan, Frances, staff assistant (C)	3,978.30
Kagan, Grace, staff assistant (C)	4,077.18
Kendall, June, staff assistant (C)	4,143.18
Pestell, Margaretta, staff assistant (C)	2,810.24
Russell, Frances, staff assistant (C)	5,142.30
Ruth, Elizabeth, staff assistant (C) (from Jan. 4 to Apr. 30, 1959)	2,181.78
Taylor, Susan, staff assistant (C)	4,930.98
Wade, Irene, staff assistant (C)	4,077.18
Greene, Hughlon, clerk-messenger	2,692.50
Little, Walter B., clerk-messenger	2,692.50
Expenses	3,119.47

Subcommittee on Administration of Foreign Trade Laws and Policy:	
Hon. HALE BOGGS, chairman	
Akins, Mildred, staff assistant (C) (from Apr. 21, 1959)	$1,358.40
Rashish, Myer, economist (from May 1, 1959)	2,387.58
Expenses	28.00
Total	3,773.98
Subcommittee on Administration of the Internal Revenue Laws:	
Hon. WILBUR D. MILLS, chairman	
Ruth, Elizabeth, staff assistant (C) (from May 1, 1959)	1,286.86
Sonnett, Eileen, staff assistant (C) (from Apr. 23, 1959)	1,155.96
Expenses	
Total	2,442.82
Subcommittee on Administration of the Social Security Laws:	
Hon. BURR P. HARRISON, chairman	
Arner, Frederick B., attorney (P) (from May 18, 1959)	1,535.36
Expenses	
Total	1,535.36
Funds authorized or appropriated for committee expenditures	300,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 1 to June 30, 1959	10,871.63
Total amount expended from Jan. 1 to June 30, 1959	10,871.63
Balance unexpended as of June 30, 1959	289,128.37

WILBUR D. MILLS,
Chairman.

SELECT COMMITTEE ON SMALL BUSINESS

JULY 15, 1959.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134(b) of the Legislative Reorganization Act of 1946, Public Law 601, 79th Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from January 4 to June 30, 1959, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
Bryan H. Jacques	Staff director	$8,143.68
Everette MacIntyre	General counsel	8,143.68
William Summers Johnson.	Chief economist	7,489.74
Victor P. Dalmas	Adviser to minority members.	7,489.74
Irving Maness	Assistant counsel	7,489.74
Justinus Gould	do	6,210.48
Richard L. Mitchell	do	3,900.52
J. Brooks A. Robertson.	Analyst	2,501.46
Frances K. Topping	Economist	4,416.31
Marie M. Stewart	Clerk	3,907.68
Jane M. Deem	Administrative assistant.	3,907.68
Clarence D. Everett	Investigator	3,907.68
Katherine C. Blackburn.	Research analyst	3,766.38
Emma Jane Hicks	do	2,322.60
Ann Gibson	do	795.12
Margaret Fallon Palmer.	do	3,625.08
Judith Lazarus	Research assistant	2,965.68
Florence B. Brown	Secretary for minority.	3,352.94
Dorothy F. Councill	Stenographer	3,267.12
Anna A. Holovach	do	2,911.50
Ruth I. Matthews	do	2,751.36
Barbara W. McConnell.	do	2,723.10
Frances F. Crane	do	2,094.36
Jean Fender	do	1,346.94

Funds authorized or appropriated for committee expenditures	$260,000.00
Amount of expenditures previously reported	
Amount expended from Jan. 4 to June 30, 1959	$101,550.55
Total amount expended from Jan. 4 to June 30, 1959	101,550.55
Balance unexpended as of June 30, 1959	158,449.45

WRIGHT PATMAN,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1238. A communication from the President of the United States, transmitting an amendment to the proposed appropriation for the fiscal year 1960 for the Development Loan Fund, previously transmitted in his letter of June 26, 1959. This amendment will provide funds for both the fiscal year 1960 and the fiscal year 1961 (H. Doc. No. 205); to the Committee on Appropriations and ordered to be printed.

1239. A letter from the Director of the Bureau of the Budget, Executive Office of the President, relative to plans for works of improvement relating to the Boggs Creek watershed, Indiana; Gilbert Run watershed, Maryland; Marsh Run watershed, Ohio; and the Martinez Creek watershed, Texas, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1240. A letter from the Administrator, General Services Administration, relative to a proposed disposition of approximately 6,000 short tons of calcined alumina now held in the national stockpile, pursuant to the Strategic and Critical Materials Stock Piling Act (53 Stat. 811), as amended (50 U.S.C. 98b (e)); to the Committee on Armed Services.

1241. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the 45th Annual Report of the Board of Governors of the Federal Reserve System covering operations for the year 1958; to the Committee on Banking and Currency.

1242. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize the establishment of a Junior College Division within the District of Columbia Teachers College, and for other purposes"; to the Committee on the District of Columbia.

1243. A letter from the Director, International Cooperation Administration, transmitting a copy of my reply to the Comptroller General of the United States on the General Accounting Office report on its "Review of Mutual Security Program Presentation to the Congress for Fiscal Year 1959 Economic Assistance to China, Korea, and Vietnam"; to the Committee on Government Operations.

1244. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Jan Frantisek Sevcik"; to the Committee on the Judiciary.

1245. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Mieczyslaw J. Piorkowski"; to the Committee on the Judiciary.

1246. A letter from the Acting Secretary of Commerce, relative to war risk insurance and certain marine and liability insurance for the American public as of June 30, 1959, pursuant to the Merchant Marine Act of 1936, as amended; to the Committee on Merchant Marine and Fisheries.

1247. A letter from the Director of the Bureau of the Budget, Executive Office of the President, relative to plans for works of improvement relating to the Flat Creek watershed, Arkansas, Second Creek watershed, Mississippi, and the Tehuacana Creek watershed, Texas, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 23, 1959, the following bill was reported on July 24, 1959:

Mr. PASSMAN: Committee on Appropriations. H.R. 8385. A bill making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 712). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 27, 1959*]

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. FRIEDEL: Committee on House Administration. House Resolution 314. Resolution authorizing an increase in the allowance for stationery for each Member of the House of Representatives, Delegate, and Resident Commissioner; without amendment (Rept. No. 713). Ordered to be printed.

Mr. PATMAN: Select Committee on Small Business. Interim report on small-business problem in the dairy industry; without amendment (Rept. No. 714). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. H.R. 1341. A bill to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards; with amendment (Rept. No. 715). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of July 23, 1959, the following bill was introduced July 24, 1959:

By Mr. PASSMAN:

H.R. 8385. A bill making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

[*Introduced and referred July 27, 1959*]

Under clause 4 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H.R. 8386. A bill to provide that the spouse and minor children of certain permanent resident aliens shall be nonquota immigrants; to the Committee on the Judiciary.

H.R. 8387. A bill to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the Territory of Hawaii by the United States under authority of such act; to the Committee on Armed Services.

By Mr. BONNER:

H.R. 8388. A bill to amend the Merchant Marine Act, 1936, to provide further require-

ments for applicants for and contractors under operating-differential subsidy contracts; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIS of Missouri:

H.R. 8389. A bill to limit the power of the States to impose income taxes on income derived exclusively from the conduct of interstate commerce; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8390. A bill to provide for the participation of the United States in the Inter-American Development Bank; to the Committee on Banking and Currency.

By Mr. FOLEY:

H.R. 8391. A bill to authorize the establishment of a Junior College Division within the District of Columbia Teachers College, and for other purposes; to the Committee on the District of Columbia.

By Mr. HARRIS:

H.R. 8392. A bill to amend the District of Columbia Stadium Act of 1957 with respect to motor vehicle parking areas, and for other purposes; to the Committee on the District of Columbia.

By Mr. HENDERSON:

H.R. 8393. A bill to amend title 38 of the United States Code to provide that certain veterans suffering from active pulmonary tuberculosis shall be deemed to be permanently and totally disabled for pension purposes while they are hospitalized; to the Committee on Veterans' Affairs.

By Mr. HOGAN:

H.R. 8394. A bill to assure orderly marketing of an adequate supply of hogs and pork products; to encourage increased domestic consumption of pork and pork products; to maintain the productive capacity of the hog-farming industry; to avoid the feeding of hogs to less desirable weights; and to stop further declines in liveweight prices received by hog producers; to the Committee on Agriculture.

By Mr. HOLLAND:

H.R. 8395. A bill to provide a 1-year moratorium on principal payments under FHA-insured and VA-guaranteed mortgages for mortgagors who are unemployed and unable to make such payments through no fault of their own, and for other purposes; to the Committee on Banking and Currency.

By Mr. JONES of Alabama:

H.R. 8396. A bill to provide for the holding of a term of court for the northeastern division of the northern district of Alabama at Decatur; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 8397. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 8398. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of foreign excess property to medical institutions, hospitals, clinics, health centers, schools, colleges, and universities; to the Committee on Government Operations.

By Mr. NORBLAD:

H.R. 8399. A bill to designate the Green Peter Dam and Reservoir on Middle Santiam River, Oreg., as the Douglas McKay Dam and Reservoir; to the Committee on Public Works.

By Mr. LANDRUM:

H.R. 8400. 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. GRIFFIN:

H.R. 8401. 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. METCALF:

H.R. 8402. A bill to amend the Fish and Wildlife Coordination Act to provide more adequate protection of the fish and wildlife habitat; to the Committee on Merchant Marine and Fisheries.

By Mr. PELLY:

H.R. 8403. A bill to provide additional compensation for employees in the postal field service required to qualify on scheme examinations; to the Committee on Post Office and Civil Service.

By Mr. PERKINS:

H.R. 8404. 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. PORTER:

H.R. 8405. A bill to designate the Green Peter Dam and Reservoir on Middle Santiam River, Oreg., as the Douglas McKay Dam and Reservoir; to the Committee on Public Works.

By Mr. RAINS:

H.R. 8406. A bill to amend the Internal Revenue Code of 1954 with respect to the priority and effect of Federal tax liens and levies, and for other purposes; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 8407. A bill to amend title II of the Social Security Act to change the composition of the Board of Trustees of the social security trust funds, and to require a comprehensive report to the Congress with respect to the investment of such funds; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 8408. A bill to provide for the disposition of surplus personal property to the government of Alaska; to the Committee on Government Operations.

By Mr. SPENCE:

H.R. 8409. A bill to extend the International Wheat Agreement Act of 1949; to the Committee on Banking and Currency.

By Mr. YOUNGER:

H.R. 8410. A bill to prohibit the introduction of merchandise into interstate commerce if a guarantee is made with respect to such merchandise unless the merchandise bears a complete return address; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL:

H.R. 8411. A bill to amend the Civil Service Retirement Act to include as military service for purposes of such act certain service in the armed forces of governments allied with the United States in World War II; to the Committee on Post Office and Civil Service.

By Mr. CARTER:

H.R. 8412. A bill to repeal the dual employment laws insofar as they are applicable to retired members of the Armed Forces; to the Committee on Post Office and Civil Service.

By Mr. FERNÓS-ISERN:

H.R. 8413. A bill to provide for the construction of a new Veterans' Administration hospital in Puerto Rico; to the Committee on Veterans' Affairs.

By Mr. McFALL:

H.R. 8414. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas (by request):

H.R. 8415. A bill to provide for the admission of the District of Columbia as a nonsovereign State into the Union; to the Committee on the District of Columbia.

By Mr. UDALL:

H.R. 8416. A bill to amend the act of April 19, 1950 (64 Stat. 44, 25 U.S.C. 635, 636), to better promote the rehabilitation of the Navajo and Hopi Tribes of Indians; to the Committee on Interior and Insular Affairs.

By Mr. FULTON:

H. Con. Res. 364. Concurrent resolution expressing the sense of the Congress with respect to the adoption in the United States of the metric system of weights and measures; to the Committee on Science and Astronautics.

By Mr. WILSON:

H. Con. Res. 365. Concurrent resolution declaring the sense of Congress on the use of a Great White Fleet in support of American foreign policy; to the Committee on Armed Services.

By Mr. WALTER:

H. Res. 330. Resolution providing for the printing of additional copies of the consultation entitled "Communist Persecution of Churches in Red China and Northern Korea"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States to proceed at once to investigate rumors concerning a national organization of criminals of Italian descent known as the Mafia, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H.R. 8417. A bill for the relief of Grand Lodge of North Dakota, Ancient Free and Accepted Masons; to the Committee on the Judiciary.

By Mr. LIBONATI:

H.R. 8418. A bill for the relief of Luigi Piludu; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 8419. A bill for the relief of Krste Angeloff; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 8420. A bill for the relief of Max Bleier; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

247. The SPEAKER presented a petition of the chairman, the Coordinating Committee of the Nations Under the Communist Yoke, Cleveland, Ohio, petitioning consideration of their resolution with reference to acknowledging the dedication of Captive Nations Week by the President of the United States of America, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address of Hon. Gale W. McGee, of Wyoming, Before the National Association of State Agencies for Surplus Properties Convention

EXTENSION OF REMARKS

OF

HON. JOSEPH S. CLARK

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a speech given by my colleague, the Honorable GALE W. MCGEE, junior Senator from Wyoming, on June 24, before the National Association of State Agencies, meeting in Grand Teton National Park, Wyo.

Senator MCGEE has shown, in his short time as a Member of this body, intelligence, foresight, and the ability to cut to the heart of a problem. Perhaps the beauty of the Tetons has inspired him further—for this speech on the vital need for truth and new ideas shows breadth of vision. He brings into perspective the image America must present to the underdeveloped countries of the world.

I hope my colleagues will all find time to read his remarks.

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

ADDRESS BY THE HONORABLE GALE W. MCGEE, SENATOR FROM WYOMING, BEFORE THE NATIONAL ASSOCIATION OF STATE AGENCIES FOR SURPLUS PROPERTIES CONVENTION, JACKSON LAKE LODGE, GRAND TETON NATIONAL PARK, WYO., JUNE 24, 1959

I didn't realize that you had been in session so long this afternoon that you had to stand for relief. Believe me, I appreciate that. You know that does a freshman's heart a world of good because a freshman doesn't receive great respect back there in this new game in which I am now a participant; and so when I can come out here and live it up and then be accorded a standing ovation, it's great for one's morale.

Indeed I am proud of all the States that you have associated me with, although I began to suspect that you were talking about a sort of interstate bum who was just one step ahead of a dissatisfied employer from time to time. Anybody who is entitled to claim so many States for residence is automatically suspected. We had to leave Nebraska because we couldn't find a climate of opinion there that was receptive to mine. They still don't receive some of my ideas well, although my mother maintains a beachhead there in the interest of the family. But she has to be a Republican committeewoman in order to do that.

Colorado—Loraine and I did spend our honeymoon in Colorado. It's a very wonderful place. They have beauty but it's commercialized beauty. They don't have the naked, raw, rugged beauty such as you look out upon from the window of this hotel and enjoy.

Unfortunately, the commercialists have invaded our lands in Wyoming, too, and we who truly love the West and love it for its native beauty secretly resent this intrusion of civilization which is changing the face of our country. As a public official, of course, I have a moral obligation to becken to all to come on because the more tourists we can attract in the summertime, the more prosperity we can enjoy. But the hard truth of the matter is that really down inside, where it counts, we wish you'd all stay home and leave our fishing alone.

We have long since, now these last few weeks, discovered the real definition of capital punishment. Capital punishment can be defined as that necessity which calls for some of us to have to live in Washington in the summertime—and it is real capital punishment. You don't know what the contrast is until you make that overnight jump from the hot, steamy streets of Washington, where the humidity is always high, where the thermometer is in the nineties, out here to God's open spaces where the sky is blue and the space is unlimited and the air is fresh. We never come home to this without wondering why in the world we should go back. Yet there is something that draws us back, that electric something which I guess, infects many of us. It has nothing to do with the time spent; it has to do with the commitment to participate in decisionmaking. That, whatever else you may say about it, does make a difference, and I think it is that which buoys you up and keeps you going in the U.S. Senate.

When I was in the teaching business, as I was for 22 years until a year ago just about now, there existed in that profession a sense of rank and seniority. I remember when I was in the graduate school in Colorado and then at the University of Chicago really resenting a little bit the instructors on the staff because I thought they were snobs and looked down their noses at us poor graduate students trying to struggle along. I was determined then and there to get into the professoring business and see what it was like to look down upon the unfortunates below me. I got to be an instructor at Nebraska Wesleyan University and then discovered, only too late, that instructors didn't amount to anything because there were assistant professors, associate professors, and, finally, full professors who towered over them. After a dedicated career of suffering and sacrifice and by outliving some others, I rose through the ranks and got clear to the top as a full professor. I thought that we had it made then, only to discover that in the educational profession, in which many of us here are interested, there has not emerged a hierarchy over all that we call administration and administrators. That seemed so hopelessly frustrating to me that I thought it was time to get out of the business. I wanted some simple employment that would be a little easier going in which rank played a lesser part, and I applied for a job with the Senate of the United States. For reasons beyond my control and due to the rationale of the citizens of Wyoming, I got the job. Now, as a result, I have gotten into the worst kind of rank situation. I don't suppose there's any institution in the world which is so rank conscious or where seniority plays such a tremendous part in the thinking of the participants.

In the group of us who did descend on Washington last November, there were 18 new Senators, all of them with my political faith. We thought we were so numerous that we'd take the place by storm and that all these fetishes about seniority—who was the oldest and who represented what in what order down the line—would be destroyed by numbers, by mass impact. But we didn't reckon with the Senate of the United States and its traditions, and, upon arrival there, we discovered our best intentions were stymied by the depth of the tradition and the inveterate dedication to seniority. The result was that they had a rule for every one of us. The Senate is sacred in its belief that no two Senators—I don't care which two Senators they are—can ever be absolute equals. There is a niche for each, 98 of them, and each takes his place beneath those who outrank him.

Well, it was then I learned the hard way that in order to break up this gang of 18 new freshmen, they were going to allot us our places, and they had a special place—a special precedence—for all former members of the House of Representatives. That involved 9 or 10 of our gang—quite a portion. And then they had a second order of precedence for anybody who had been a former Governor of his State. That took three or four more, but it still left four of us who stood shoulder to shoulder, exactly the same height, and that's when the resourcefulness of the Senate, naturally, came into play. They resurrected a couple of old precedents which had not been used since before the Civil War which dictated the separation of the remaining four who thought they were equal. They decided they could separate us according to the year in which our State had been admitted to the Union. Well, the passengers aboard the *Mayflower* didn't quite make it to Wyoming. Very little of the sea washed the shores of this wonderful State. In fact, we didn't come into the Union until 1890, and so we were way, way down that list. Even with this ruling, however, the final status of two of us was not resolved. Two States came into the Union in 1890 and that created a tie they couldn't break until they found another old beat-up rule which said that in such a case seniority would be determined by alphabetical order of States. Well, consult the list of States and you'll see that Wyoming is quite a ways down. In fact, there is no "whicher" than Wyoming in the alphabet. So, ladies and gentlemen, today you are looking at No. 98. One consolation about it is that it leaves us no direction to go but up and that's hopeful. And they assure me back there that the longer I'm around, the better I will think of seniority and that I will temper my views as the years pass.

It is genuinely refreshing to me, under all of these circumstances, to come here and talk to you. You have been having your seminars; you have had your old pros batting away at each other; you are going to have them some more. I don't know anything about surplus property problems except I am for you. I was told to say that so that you'd know I was dedicating my efforts in your behalf and, rest assured, if you tell me what those efforts are, I will. I happen to believe in the people who brought me out here. That's the only reason I'm here. And I firmly believe in the line that you're trying to hold—making available some of the surplus materials for schools and in the educational field. It would be dishonest for me not to say that very bluntly and forthrightly.

I want to talk to you today about an area quite far removed in one way from the professional concern which has collected you here this week and particularly this afternoon—a topic that's quite far removed from the minds of all too many Americans today. It is the parts of the world which we have for generations taken for granted and continually ignore. I am speaking of the so-called underdeveloped regions of the globe. They are not totally unrelated with the problem that you are, on the domestic front, concerned with here—surplus properties. If I

were to say to you that tomorrow, not the day after tomorrow, not the 21st century, but tomorrow, the whole vibrance of the world will be coming from the heartbeat of Asia and Africa; not from Washington; not from London; not from Paris or Rome, but from Asia and Africa, it would be sufficient to suggest the new focus which we are very slow to make a part of American thinking.

Take a cross section of the people of tomorrow, the people now that are between adolescence and middle age—that is 10 years older than I am, I always say—take a cross section of all the people of the world who lie between the ages of 12 or 13 and 50 and who make up tomorrow's world. They will be determining our future policies. Take such a cross section and it's made up something like this. On the basis of a sampling of 100 to reflect that cross section, 6 of them would be from the United States and Canada; another 5 or 6 of them would be from Latin America—our neighbors to the south; 7 or 8 of them would come from the Soviet Union—Russia; perhaps 9 from Africa; 15 or 16 of them would come from Western Europe and non-Russian Europe; and 56 of them—56, I repeat—would come from Asia. There is your world of tomorrow. Yet, in our own concept, we don't go much beyond the shores of the Atlantic, and might I say to you very frankly, as a former student of history, that the Atlantic age of history is already on the downgrade. And we pretend to be the leaders of the world. We are talking about a world that we are still fighting over—the world of World War II. That's what got us down in the 1930's when we were still trying to stay out of World War I, wasn't it? Now we are trying to correct some of the mistakes of World War II. All too few of us are asking about tomorrow and worrying about where we are going.

Now, I want to talk to you for the next few minutes about some aspects of the American concept toward the rest of the world which I think are fundamental if we are to create a sound American policy position that will lead not only to our survival but to our survival under circumstances that are amenable to the kind of life which we associate with a free society.

I will say to you then, first of all, that above all the other concepts Americans must learn to believe in and to understand is the fact that people are different. We have undergone a number of exercises in which it has been our apparent intention to make little Americans out of everybody around the world. As President Eisenhower once reminded us, we not only can't make little Americans out of the world, but it would be a bad idea even if we could. Because of the impact of World War II and, more important, because of some of the problems—if I may drag it in by the heels—caused by surplus property left over in some strange corners of the world after that conflict, we began to try to make little Americans out of everyone.

In reality, however, I am talking about people's thinking, about their cultural habits, about their standards of value, about the things they believe are important, the things which make a difference. Not everybody believes in skyscrapers, in jets, or in a bank account. People have different standards.

I always remember the story that James Michener of South Pacific fame still tells. It happened when he was in Seoul during the Korean war, at the time of the second siege of the city of Seoul when the Communists had moved down from the north very rapidly and threatened to trap not only the garrisons but the people of the city. In that emergency, the American commander called in the city officials and said: "We have very little evacuating material or means of evacuation available. We are caught unready. There is only one barge and it will accommodate about 100 people. Pick the 100 most important people of the city of Seoul, get them on the barge, and we will get them out so that they can save the city when it comes time to rebuild. But pick your key people." The city government, the city officials of Seoul, quickly convened and made their decision, and they put on that barge for the evacuation the 100 members of the Seoul Symphony Orchestra. The American commander cussed a blue streak and called them "blankety-blank so and so illiterates."

But people are different. People have contrasting sets of values and we must understand that.

I once heard the then General Eisenhower describe a similar experience in Africa during the north African campaign. When it was about finished, and there was a light weekend ahead, General Eisenhower was flown into the interior of Africa to view a special housing project that one American group had promoted. It was in a tribal area where the tribes had formerly been living in grass huts. General Eisenhower found there in a beautiful clearing in a corner of the Belgian Congo, neat rows of little, white Cape Cod cottages that the American benefactors had set up for them, and which had all of the plumbing conveniences that you could desire.

There was only one thing missing—people. The houses were all empty. The general asked the chief escorting him around. "Where are the people?" The chief, a little bit embarrassed said, "Well, General, I think I can show them to you." He then escorted him some distance down to the bank of the nearby river, and there were the people. They were building grass huts and the babble of their talk made quite a din. The chief said, "You know, General, they very much appreciated those wonderful, wonderful houses, but they just didn't think they could live in them, because with all of the conveniences—running water and the like—my people felt that it would deprive them of their one reason for living, the one joy they had every day, and that is the daily trip down to the bank of the river to get water to wash their clothes and to commune with their neighbors."

Well, people are different: They are different in as many ways as there are people. That's why we have sometimes gotten into trouble in America. We haven't been willing to allow for those differences.

At the University of Wyoming, while I was teaching there, we had a great many students from Afghanistan. We had these students from Afghanistan because we had opened a sort of branch of the University of Wyoming over in Afghanistan. We had an exchange program. We kept this program very much alive because Afghanistan was a high-altitude country with agricultural and soil problems similar to our own. I had many of these Afghan boys in class and would talk to them at every opportunity about their experiences here. They had a wonderful time in Wyoming.

One of them told me he spent a weekend over near Torrington—which is as far as you can go from here and still be in Wyoming. He had been riding a cornpicker all afternoon. He said it was an exciting thing and he would like to have one to play with. But he said, "You know, Professor, it is no good to me back in Afghanistan. I have wasted my time. In many parts of my country, people are still planting seeds with pointed sticks."

We fail to allow for the fact that some of the world's peoples don't care to use anything else but a pointed stick.

When Loraine and I were in Moscow—and it's nearly 3 years ago now—we got trapped one afternoon in a rainstorm. I should say I got trapped. The women didn't. They were out looking for bargains which they never found. But I stayed in the hotel. I sat in the lobby of the Leningradskoya Hotel until the rain stopped. In that 3 hours, I witnessed the arrival in Moscow of whole delegations from a dozen Asian countries which had been flown there at the expense of the Russians. One of the delegations was from Communist China, and I struck up a conversation with them. I did so because the Chinese speak English very fluently although they can't understand Chinese. This is literally true because there are over a thousand dialects. They speak the English language better than I do. We got along very well in understanding what we were saying to each other. I said to the Chinese, "I suppose you are excited about Moscow." They said, "Very much excited. It's an exciting city." I tried to imagine, in my own mind, why Moscow was exciting to the Chinese because by our standards it is a dreary city, a sort of sprawling slum with the exception of a few showplaces which they display to tourists and the party faithful from Siberia. With those exceptions, Moscow is a very, very dull city. But these Chinese were excited. Then I thought I could understand why they were because, compared to some of the hills of China, this would indeed be a refreshing and new place to them, and I made allowance for that.

So I said to the Chinese, "Gentlemen, you know, I think I can understand why you find Moscow as exciting as you do, but I wish you'd visit my country some day. We have some exciting things, too, which might open your eyes." He said, "I have been to your country. I have visited it four times. I have been in New York, Washington, Chicago, Detroit, New Orleans, San Francisco, and Seattle." Then I did scratch my head. I said, "You have been to all those places and you tell me you find Moscow exciting. Why?" He said, "You know, we in China think you have gone so far and reached so high, and achieved such marvels that we don't even dare dream about them, we are so far behind you. It has no meaning for our people; they couldn't understand it. But here in Moscow we know where these people were 40 years ago. They were just like us and we can see with our own eyes where they have come in less than a generation. And if the Russians can do it," he said, "China can do it. That's why we admire Moscow."

That's something for every American to ponder. There are different ways of reaching people and you can overshoot your target; you can aim too high by trying to make little Americans out of everybody. That's the basic, fundamental concept that all of us have to acquire, have to understand, have to believe. We have to make allowance for the differences of people and do it in ways that they can understand through their insight instead of ours.

The second thing that I would leave with you is the suggestion that we have some surplus property, so to speak, that's surplus property only because we are not using it, surplus property that is begging to be used in meeting this precise problem which I have posed for you here today. That surplus property is of two forms: It is a surplus of ideas and a surplus of truth—ideas and truth. It is strange that we could speak of having a surplus of either one. We happen to have a surplus only because nobody's interested in either one. The people are not demanding either ideas or truth. They don't care. Thus, these commodities exist in bountiful quantities at the present time.

Some few years ago, I was with a private group in New York directing a little study on Soviet intentions. In the course of those long deliberations, we were entertaining, for the purpose of picking her brains, a lady from Asia. I will never forget the very plush banquet which was thrown in her honor. We

invited her to the banquet along with 50 very affluent, industrial, and banking leaders of America. They were grouped around the lone lady, and I was included in the group only because I was directing the study.

The chairman for that meeting said: "Madam, before we get underway, I thought you might be interested in knowing something about the men who are here doing you honor tonight." He said, "These 50 men, I suspect, between them and among them, in their own personal wealth, have something in excess of $10 billion." Well I remember the warm glow coming over my face. Fifty divided into $10 billion meant that we were worth $250 million apiece. I never had it so good.

I will never forget her reply. She said, "Mr. Chairman, you know I do appreciate these very, very wealthy men taking time out from their accumulation of great wealth to dine with me tonight. But I hope you won't be offended if I suggest to you that this isn't a new experience for me, that this isn't the first time I have dined with men of great wealth. Just before I left my country on this trip, I had breakfast with eight maharajas whose total wealth was probably that of these men. But you know in India," she said, "we don't brag about that." (Leave it to a woman to put a man in his place.) She went on in a very, very rich way and she said, "May I say to you very fine Americans something that's very blunt but which I hope you will appreciate?" She said, "Let me tell you why the people of the world respect you, why they look to you for leadership, why they revere your history." She said, "It is not because of your skyscrapers; it is not because of your bank accounts; it is not because of your automobiles." She said, "We admire America because of your ideas. We admire America because you stand for truth wherever it may lead. And, gentlemen," she said, "why don't you put your great strength to work as you seek to lead the world?"

Ideas and truth—and I have never forgotten that memorable little occasion. The history of our own time bears out the validity of her observation. Look at our ideas. We have forgotten them long since. The ideas of free government, of the dignity of the individual, of the respectability of ordinary society, of the equality of all peoples, these are the magical, electric ideas that fire men even in this nuclear age.

When the troops moved into what is now Jakarta, Indonesia, but which was called the Dutch East Indies at the time, at the end of the war the Japanese had seized the area and they put up a very fanatical resistance. They destroyed most of the material assets of the region. But the troops which had entered Jakarta reported finding on the bombed-out walls of that ruined city inscriptions scrawled there by these resisting natives who were driving the Japs back out—inscriptions of little quotations from Ben Franklin, from Thomas Payne's "Common Sense," from Abraham Lincoln's second inaugural address, and from Thomas Jefferson's first. Most Americans don't remember these inspiring words.

These are the ideas of America and they have been carried into even the most backward areas. These areas are backward, my friends, only in the American materialistic sense, and that's the basis upon which we have been judging them.

I talked to a diplomat from Ceylon once. He said, "You know the thing that put my country so strongly on the path toward freedom was that we copied your Constitution. It was our inspiration." I heard Nehru say that what kept India from going to pieces, what prevented her from passing through the radicalism that sweeps through any new area during periods of political experimentation was the examples afforded by the American and British systems. Ideas. The Indian Constitution begins how? "We, the people of the United India, in order to form a more perfect union * * *." Word for word. There's the American inspiration; the American idea.

My friends, 1778 is the most electrically inspiring date in human history and everyone knows it except Americans. We have forgotten its significance. The rest of the world knows about it, but we are failing to use the dynamic influence it still exerts. It is one of our surplus commodities. It is stored in the attic collecting cobwebs with the other relics of our Nation's history.

Ideas, and ideas that we invented, not Karl Marx—that we invented, not Mr. Lenin or Mr. Stalin or Mr. Khrushchev. This is what is inspiring the people of Latin America and Africa and Asia. We did it. Yet, with the rest of the world trying to follow us, what do we do? We look down our noses as if there were some foul smell at the other end that offended us. We want nothing to do with it because it might be radical. These people, my friends, would be on the paths of change, they would be in the throes of revolution, if there had never been a Communist on God's earth because all they are craving is human dignity; the integrity of the individual; national independence and national pride. And what else is there in the Declaration of Independence? We don't have to go out and plant revolutionary fires, but we can certainly recognize them for what they are and understand them instead of trying to hold up our hands as though we could stop this floodtide that's sweeping the world. If it be our decision to stop it, to dam it up, to hold it back, what happened to us in China is going to happen to us all around the globe. It will simply pour over us. We will be inundated and we will literally drown in our own ideas because we were too stupid to use them.

But with that surplus of ideas, we have also a surplus of truth. What I am trying to say to you is this, that the search for truth must be eternal. It is the guidelight of any historian and it must be the constant goal of every citizen. It sometimes will lead you into unpleasant paths; it sometimes requires unpopular conclusions. But, ladies and gentlemen, our Republic has been founded on the willingness to risk the truth. It is the Communist who doesn't dare to face the truth. That's why they have censorship; that's why they have the Iron Curtain; that's why they use brutality to impose falsehood. But we are afraid of truth. Oh? We are afraid of it. Go to the Rotary Club some noon, or to the Lions Club, the chamber of commerce, the women's club—you pick it—and you will discover that they go along talking to each other week after week, saying the things that they like to hear from each other because if they say something different it rocks the boat. It is easier to conform and we are demanding conformity because it is easier to control. I don't mind saying that, as a Senator, I wish all the constituents of Wyoming would conform to one man's ideas—McGee's. It would be a lot easier. There isn't an administrator here or one who was ever an administrator who would not encourage conformity among those beneath him because it would mean an end to his problems. We are afraid of truth.

The truth is unpleasant and uncomfortable and inconvenient. And we have reached the point in this country where we are encouraging half-truth or untruth in government in order to be comfortable, to have time to play golf, or better still, to fish. We have so surrendered our eternal quest for truth that those who merely raise the ugly questions in pursuit of truths are belabored and smeared and twisted and tortured by the public mind and by public pressure because they aren't willing to say what people like to hear or they aren't willing to surrender by leaving well enough alone.

Now this is not what made Americans strong in the past and yet it is this pressure to which we are forfeiting our heritage now.

We have just passed through an extremely painful ordeal in the Senate involving one of the strangest and most difficult personalities, I suppose, in this century—Mr. Strauss—a difficult and strange personality because when he was good there was never a man in all history who was so good. But when he was bad there were some extremely serious complications. He is a man who has perfected a technique that he didn't invent. Democrats and Republicans, long before him, hammered out the perfections of the gobbledygook of words, words without meaning, words of evasion, honeyed words, big words, little three-letter words. These words were aimed at covering up, at hiding, at concealing unpleasantries or mistakes in human judgment; and the mushrooming of the bureaucracy in Washington has aided and abetted this whole practice. Mr. Strauss was not the inventor of this at all. He may have been its victim. Some of us felt very deeply that in the search for truths the time for a reckoning had long since passed. When this man, in a very tortuous process, was stripped of almost a million words; when he stood naked before his committee, he was revealed as a liar.

My friends, these are people living in fear. You live in fear of dictatorship. That's what was wrong with Hitler and Naziism; that's what's wrong with the Communists in Moscow. Yet, under the guise of leaving well enough alone and not disturbing placid waters, we were surrendering to the very dictatorship we feared.

I was personally tortured that my President was very much embittered about the ugliness of this decision because the President's wishes rank very high in my scale of values. But there's one thing that ranks higher than his wishes in my book, and that one thing is the right of the people in a democracy to know, the right to go behind the veil of the so-called executive privilege and secrecy, to strip away from the mistakes that humans are entitled to always make in a democracy the veil of nondisclosure or the camouflage of words. And I say this in the context of my opening remarks for this reason. The one appeal that we have to the rest of the world lies in our willingness to pursue truth, wherever it might lead; and in a record which has stood the test of truth and which can in the future stand repeated reexamination in the light of truth.

I don't know whether or not you have read the little volume "The Ugly American"; but if you do, you will find we are in trouble because people, for whatever reasons, chose to distort the truth, to perpetuate a false front, to assume a mistaken level of power and prestige.

We are all right if we'll trust in the truth, if we will abide by its revelations, if we will conduct ourselves within the limits of its disclosures. This is not alone a problem for Americans overseas or a problem of trying to get foreigners to understand us. It comes right down to the hearts of our understanding of ourselves; what we believe and why we believe it.

If we would only utilize these two surpluses, we would readily discover that they are not surpluses at all, but that they are in short supply. We would discover we haven't enough of either. But if we use what we have, we can hold out to the rest of the world the kind of appeal, the kind of human inspiration that alone should guide the history of man. It is our strength, more so than our scientists, our military might, or our satellites in outer space.

Asia and Africa and other areas are on the move, and they are in the throes of deep change. Let's face it. Let's not only learn

to live with it; let's seek to guide it constructively.

I have often thought in this context of the old legend of Rip Van Winkle. You know old Rip got a bit in his cups and fell asleep in 1769; he slept for 20 years. What happened in that 20 years? When old Rip fell asleep, George III was his King. When he wakened 20 years later, George Washington was his President. Old Rip Van Winkle had slept through a revolution. God help us, my friends, if we sleep through this one.

President Eisenhower to the People of the Soviet Union

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the splendid message sent by President Eisenhower to the Russian people transmitted by Vice President NIXON.

MESSAGE OF THE PRESIDENT OF THE UNITED STATES, DWIGHT D. EISENHOWER, ON THE OCCASION OF THE OPENING OF THE AMERICAN NATIONAL EXHIBITION IN MOSCOW SOKOLNIKI PARK, JULY 24, 1959

Because of my inability to be present at the opening of the American exhibition in the Soviet capital city, I have requested the Vice President of the United States to convey to you and to the Soviet people my personal greetings. I consider this exhibition at Sokolniki a symbol of the United States itself, and in this spirit, I wish to welcome you to visit it as guests of the people of the United States. In the same spirit, I also wish on all occasions to seek the friendship of the people of the Soviet Union. Indeed, I would be most happy if many of you could eventually come to our land and see the reality behind the pictures and displays of this exhibition.

I would like, moreover, to go beyond these words of official greeting and add some personal sentiments. The fact that the Soviet and American peoples were comrades in arms during the great war concluded 14 years ago remains fresh in my memory. At that time, as the Commander of the Western Allied Expeditionary Force, I was afforded the opportunity to meet with your valiant soldiers and to learn firsthand of their bravery. At the end of that war, in August of 1945, I had the privilege of visiting the Soviet Union itself. On that visit I was struck by the devotion and dedication of the people of the Soviet Union to the defense of Mother Russia. The exploits and courage of the Soviet people in that defense are matters of record for all to see.

Nothing that has happened during the interval has dimmed my admiration for the great people of the Soviet Union. Indeed, I have been further impressed by the strides taken by you in science and industry. Last month I greatly enjoyed my visit to the Soviet exhibition in New York and was impressed by the vigor and the progress which was evidenced everywhere. I returned to Washington with a better understanding of the achievements of the Soviet people and the proud traditions of their land. Let me assure you that I speak for all Americans when I say that we desire nothing but friendship with this dynamic people.

But we must acknowledge that differences in governmental policies have created rifts in our wartime alliance. This fact has saddened me greatly, particularly because it is so unnecessary. Our nations have such a great common interest in world peace that every effort must be made to bring us closer together. I therefore hope that this exchange of exhibitions will be a first step toward a restoration of the trust and unity that we felt during the recent World War.

I wish that I could have been here to open this exhibition in person. It has long been my hope to return to the Soviet Union to see, not only my wartime friends, but also the great progress you have made in rebuilding your ruined cities and factories. Perhaps the time may come when this desire will be realized.

Until that time, my concluding greeting is this: It is never too late to build a peace with honor and justice. May this exchange of greetings contribute to success in that effort.

Special Pay for Extra Skill

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. PELLY. Mr. Speaker, I am today introducing a bill to provide additional compensation for employees in the postal field service who are required to qualify on scheme examinations.

The purpose of the proposed legislation is to provide remuneration to those loyal and dedicated postal employees who have for years been required to spend their own time learning complex schemes or systems for the distribution of mail.

These schemes change frequently, and postal clerical employees, members of the National Federation of Post Office Clerks, for example, are forced to engage in a constant effort to keep current with changes necessitated by a growing city and consequent expanded delivery service or by changing train or plane schedules.

Every time there is a change in an arrival or departure time for a train or plane, post office schemes are changed to reflect the new schedules. To give some idea of just how difficult it is to learn a post office scheme, I suggest anyone try to memorize any 10 pages of the Washington, D.C. telephone directory. That will embrace some 4,000 items, an approximation of an average postal scheme. Add to this the daily and weekly changes that occur then you have a vague idea of what a post office clerk has to remember for a single scheme period. Many clerks have to know two, three, and even four such schemes.

I believe these schemes are necessary to the prompt and efficient dispatch of mail, but I do not believe we have any right or justification to demand these loyal employees devote their own time to learning such schemes without compensation.

For that reason, I am introducing legislation which I feel will at least provide a token recognition on the problem and furnish a small recompense for the effort and time necessarily devoted by these loyal and faithful employees.

I hope the Committee on Post Office and Civil Service will move promptly to the consideration of this very important legislation.

Cultural Exchange Program

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mrs. KEE. Mr. Speaker, the U.S. and Soviet academies of science have announced agreement on an extensive exchange of scientists between the two nations.

This is the latest development in the cultural exchange program between the world's two mightiest nations. Personally, I hope that this approach will do much to lead to a better understanding with the Russians.

The Russians are extremely difficult people to negotiate with. Certainly the developments at Geneva bring this point home. And it points up once more just how little the Russians really understand the people in the United States.

Mr. Speaker, all of us know that one of the great dangers facing the world today is that the Russians, because of this ignorance, will seriously miscalculate and touch off another war. Anything that will lead to a better understanding is certainly a step in the right direction.

Under this new agreement, Mr. Speaker, scientists of the two countries will deliver lectures, carry out research and observe scientific progress. The leading scentists of the two nations will learn to know each other and understand each other better. I am sure that the Russians will be impressed by the peaceful intent of the U.S. scientists.

It is appalling to think that very few of the Russian leaders have ever been outside the Iron Curtain. How can we expect them to understand the West as long as they live in such complete isolation?

Under the cultural exchange program, it is hoped to bring citizens of the two nations together. Last weekend, for example, United States and Russian track teams engaged in a dual meet in Philadelphia. These Russian athletes are bound to have a better appreciation and understanding of this country after they return home. We have sent artists of all kinds to Russia. We plan to send businessmen and representatives of other groups to tour Russia. In return, people from that country will visit the United States.

Vice President NIXON is now in Russia. He will have an opportunity to visit many parts of the country and talk with top officials.

The Russians are a suspicious people, particularly on an official level. But surely the Russian people, just like people everywhere, detest war. I am sure they want to live in peace just as we do.

Because of tight censorship and government control of the daily lives of the people of Russia, it is difficult to reach the people. But every contact we can make will be helpful. For example, the Harlem Globetrotters, a very fine basketball team, recently visited Russia for a series of exhibits with Russian teams. About 350,000 Russians saw three games in Leningrad.

Exchanges on these unofficial levels are good things. People with common interests can help bridge the vast gulf separating the two nations much easier than can diplomats.

We have no aggressive intentions in the world. If the Russians could be made to understand this, perhaps much of the tension between the two countries could be wiped out. It is certainly worth the effort to bring this home to Russians on every level whenever we have the chance.

Dedication of the National FFA Building

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. CARLSON. Mr. President, last Friday a very impressive ceremony was held near Mount Vernon on a tract of land that was formerly owned by George Washington, at which time the National Future Farmers of America Building was dedicated.

The Future Farmers of America is an organization composed of 381,621 members in every State in the Union, Hawaii, and Puerto Rico and is a part of the vocational education program under the Department of Health, Education, and Welfare.

The national officers of this organization are Adin Hester, Oregon, president; Bryan Hafen, Nevada; Thomas E. Stine, Missouri, Lee Todd, Tennessee, Richard Van Auken, New Jersey, vice presidents; and Norman A. Brown, Michigan, student secretary.

The chairman of the board is Dr. W. T. Spanton, Director of the Agricultural Education Branch of the Office of Education. Dr. Spanton's many years of dedicated service to this organization has built it to one of the leading youth organizations of the Nation.

I ask unanimous consent that the program and the dedicatory speech I delivered be printed in the CONGRESSIONAL RECORD.

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

PROGRAM AT DEDICATION OF THE FUTURE FARMERS OF AMERICA BUILDING

Music: U.S. Air Force Headquarters Band, Harold Hoyt, captain, USAF, Director.

Flag-raising ceremony: Norman Brown, national student secretary.

National anthem: U.S. Air Force Headquarters Band.

Invocation: Richard Van Auken, national vice president.

Opening remarks: Adin Hester, national president.

Introduction of guests.

Greetings from new farmers of America: Martin Luther Goodson, national president.

Historical background: W. T. Spanton, Director, Agricultural Education Branch, Office of Education, Washington, D.C.

Greetings: Arthur S. Flemming, Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Gathering and spreading of State soil: Tom Stine, national FFA vice president.

Acceptance of State stones: Bryan Hafen, national FFA vice president.

Dedication address: The Honorable FRANK CARLSON, U.S. Senator from Kansas.

Acceptance of FFA Building: Lee Todd, national FFA vice president.

FFA march: U.S. Air Force Headquarters Band.

ADDRESS BY SENATOR FRANK CARLSON AT DEDICATION OF FUTURE FARMERS OF AMERICA HEADQUARTERS, WASHINGTON, D.C., FRIDAY, JULY 24, 1959.

I regard it a distinct honor to be invited to participate in a program dedicating—or setting apart for service—this new headquarters building for the Future Farmers of America supply service and national magazine.

This building will stand as a serviceable monument to the Future Farmers of today who will be the successful farmers of tomorrow.

It is most fitting that this modern structure be located near Mount Vernon, the home of George Washington, and on land formerly owned by him. He was considered first as a great general—our first President—an engineer—but George Washington's first love was the farm he called Mount Vernon. He was one of the first in the Nation to practice contour planting, crop rotation, and other soil conservation methods. It has been stated he might be truly considered as America's first "scientific farmer."

It is also my understanding that he is one of the patron saints of the Future Farmers of America and that his name has a prominent place in the opening ceremonies of the FFA.

Vocational agriculture and the Future Farmers of America constitute a most successful program for training boys to be good farmers and helping them become established in the farming occupation of their choice.

In view of the Nation's need for new farmers it is most fitting that we set apart a new modern building for their headquarters.

It was our third President, Thomas Jefferson, who said, "Those who labor in the earth are the chosen people of God."

It was Gifford Pinchot, the great conservationist, who said, "As the farmer prospers, so prospers the Nation."

Leaders in the field of agriculture, both men and women, are receiving further well-deserved recognition in the establishment of the Agricultural Hall of Fame.

I am delighted that this agricultural shrine is to be located in my home State of Kansas—just a few miles from Kansas City where thousands of FFA members will have the opportunity to see it each year at the time of their national convention.

Agriculture today is undergoing a drastic change. Capital investment on farms and the cost of production items are at record levels.

Agriculture as a whole is confronted with some very different problems that must be resolved and I know of no one better qualified to tackle these problems than our young farmers who will soon be dominant in agriculture. Your background, your training, give you the qualifications that are going to be needed as we go through this difficult period.

I am not here to paint a dark picture of our situation. As a matter of fact, I am an optimist and I have great faith in the future. I have great hopes for the members of your organization.

I am here to talk about opportunity—about change—about ideals and about making peace in a world that sorely needs it. I want to say to you that I cannot think of a more exciting time to be alive.

Certainly the challenge is more difficult today than it has ever been before in history. But never before in history do we stand to win so much, and when I use the word "we," I am not thinking of Americans alone—I am thinking of the human race.

No previous generation in human history has had finer or more abundant means at its disposal for making this planet serve the ends of man.

For the first time in human history, we have as much potential power as we need to irrigate dry lands—operate the machines that man needs to carry on his work and give man shelter. There seems to be no limit to the new and fascinating discoveries being made in the field of agriculture.

For the first time in human history, we can tap the basic energy of the sun. We can derive new minerals from the oceans. Nuclear energy, properly used, can even help to control weather.

We are on the verge of discovering the answers to the incurable diseases that have blighted the life of man on earth.

I believe we have it within our means to extend the average life of a human being to more than a century—not in some distant age, but within your lifetime.

But one thing is clear, we are not going to get this better world by just wishing it into being. We are going to have to work for it the hard way.

Now, I don't have to be reminded of all the obstacles. I don't have to be reminded that we have to make this planet a lot safer for human life than it is now before we can talk about making it more attractive.

Indeed, it is precisely because I am aware of the problems that I say to you that the only thing that is greater than the difficulty is the opportunity.

It is true that the human race has been able to invent war, but has yet to invent peace. This has been true in the past, but it need not be true today or tomorrow. It is within the means and the power of our own generation—and I am thinking mainly of the young people of this country—to do what has never been done before—to find a way to outlaw war and establish peace on the basis of justice in the world.

Is this impossible? The fact that it has not been done before doesn't mean that it is beyond our reach.

They have said for centuries that man is a warring animal and that he will keep at it until he devises the means to exterminate himself.

But I believe in our time we will succeed in doing the seemingly impossible. I believe it is within our power to make the greatest contribution to human progress and safety in history by creating the design of a workable world peace.

This, I believe, is the big opportunity for youth in an atomic age to help create such a design and to put an end to the era of human slaughter on earth.

We want a peace that guarantees the independence and integrity of all nations large and small, a peace in which progress and freedom are possible, a peace which doesn't mean human decay or dry rot, but the growth and betterment of individual human beings throughout the world.

This is the kind of peace we want. This is the kind of peace, God willing, we are going to get.

This kind of peace is not going to be handed on a silver platter to the American people, or to anyone else.

You and I, particularly the young people of this Nation, must dedicate ourselves to working and praying for a program of peace. No greater challenge—no greater opportunity—was ever presented to our youth.

As we build a better world, a better Nation, we must also build a better man, based on the lines of the great poet, Edwin Markham, who wrote:

"We are all blind, until we see
That in the human plan
Nothing is worth the making if
It does not make the man.
Why build the cities glorious
If man unbuilded goes?
In vain we build the work, unless
The builder also grows."

I dedicate this building in behalf of the Future Farmers of America and their successors, and pray that they, too, will grow and build a better farm economy, which is so important to the future of our Nation.

Vice President Nixon's Speech at Opening of American Exhibition in Moscow

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech given by Vice President NIXON at the opening of the American national exhibition in Moscow July 24, 1959. Surely this is one of the finest expositions anyone has ever given anywhere of the true heart and soul and mind of our beloved America. What a pity that the Soviet rulers refused to let it be broadcast in Russian to their people. Our gratitude and commendation go to the Vice President for a splendid job well done.

REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES, RICHARD NIXON, ON THE OCCASION OF THE OPENING OF THE AMERICAN NATIONAL EXHIBITION IN MOSCOW, SOKOLNIKI PARK, JULY 24, 1959

I am honored on behalf of President Eisenhower to open this American exhibition in Moscow.

Mrs. Nixon and I were among the many thousands of Americans who were privileged to visit the splendid Soviet exhibition in New York, and we want to take this opportunity to congratulate the people of the U.S.S.R. for the great achievements and progress so magnificently portrayed by your exhibition.

We, in turn, hope that many thousands of soviet citizens will take advantage of this opportunity to learn about life in the United States by visiting our exhibition.

Of course, we both realize that no exhibition can portray a complete picture of all aspects of life in great nations like the U.S.S.R. and the United States.

Among the questions which some might raise with regard to our exhibition are these: To what extent does this exhibition accurately present life in the United States as it really is? Can only the wealthy people afford the things exhibited here? What about the inequality, the injustice, the other weaknesses which are supposed to be inevitable in a capitalist society?

As Mr. Khrushchev often says: "You can't leave a word out of a song." Consequently, in the limited time I have, I would like to try to answer some of these questions so that you may get an accurate picture of what America is really like.

Let us start with some of the things in this exhibit. You will see a house, a car, a television set—each the newest and most modern of its type we can produce. But can only the rich in the United States afford such things? If this were the case we would have to include in our definition of rich the millions of America's wage earners.

Let us take, for example, our 16 million factory workers. The average weekly wage of a factory worker in America is $90.54. With this income he can buy and afford to own a house, a television set, and a car in the price range of those you will see in this exhibit. What is more, the great majority of American wage earners have done exactly that.

Putting it another way, there are 44 million families in the United States. Twenty-five million of these families live in houses or apartments that have as much or more floor space than the one you see in this exhibit. Thirty-one million families own their own homes and the land on which they are built. America's 44 million families own a total of 56 million cars, 50 million television sets and 143 million radio sets. And they buy an average of 9 dresses and suits and 14 pairs of shoes per family per year.

Why do I cite these figures? Not because they indicate that the American people have more automobiles, TV sets, or houses than the people of the U.S.S.R.

In fairness we must recognize that our country industrialized sooner than the Soviet Union. And Americans are happy to note that Mr. Khrushchev has set a goal for the Soviet economy of catching up in the production of consumer goods.

We welcome this kind of competition because when we engage in it, no one loses—everyone wins as the living standards of people throughout the world are raised to higher levels. It also should be pointed out that while we may be ahead of you as far as these items are concerned, you are ahead of use in other fields—for example, in the size of the rockets you have developed for the exploration of outer space.

But what these statistics do dramatically demonstrate is this: That the United States, the world's largest capitalist country, has from the standpoint of distribution of wealth come closest to the ideal of prosperity for all in a classless society.

As our revered Abraham Lincoln said "We do not propose any war upon capital; we do wish to allow the humblest man an equal chance to get rich with everybody else."

The 67 million American wage earners are not the downtrodden masses depicted by the critics of capitalism in the latter part of the 19th and early part of the 20th centuries. They hold their heads high as they proudly enjoy the highest standard of living of any people in the world's history.

The caricature of capitalism as a predatory, monopolist dominated society, is as hopelessly out of date, as far as the United States is concerned, as a wooden plow.

This does not mean that we have solved all of our problems. Many of you have heard about the problem of unemployment in the United States. What is not so well known is that the average period that these unemployed were out of work even during our recent recession was less than three months. And during that period the unemployed had an average income from unemployment insurance funds of $131.49 per month. The day has passed in the United States when the unemployed were left to shift for themselves.

The same can be said for the aged, the sick, and others who are unable to earn enough to provide an adequate standard of living. An expanded program of Social Security combined with other government and private programs provides aid and assistance for those who are unable to care for themselves. For example, the average retired couple on social security in the United States receives an income of $116 per month apart from the additional amounts they receive from private pensions and savings accounts.

What about the strikes which take place in our economy, the latest example of which is the steel strike which is going on? The answer is that here we have a firsthand example of how a free economy works. The workers right to join with other workers in a union and to bargain collectively with management is recognized and protected by law. No man or woman in the United States can be forced to work for wages he considers to be inadequate or under conditions he believes are unsatisfactory.

Another problem which causes us concern is that of racial discrimination in our country. We are making great progress in solving this problem but we shall never be satisfied until we make the American ideal of equality of opportunity a reality for every citizen regardless of his race, creed, or color.

We have other problems in our society but we are confident that for us our system of government provides the best means for solving them. But the primary reason we believe this is not because we have an economy which builds more than 1 million houses, produces 6 million cars and 6 million television sets per year.

Material progress is important but the very heart of the American ideal is that "man does not live by bread alone." To us, progress without freedom, to use a common expression, is like "potatoes without fat."

Let me give you some examples of what freedom means to us.

President Eisenhower is one of the most popular men ever to hold that high office in our country. Yet never an hour or a day goes by in which critcism of him and his policies cannot be read in our newspapers, heard on our radio and television, or in the Halls of Congress.

And he would not have it any other way. The fact that our people can and do say anything they want about a Government official, the fact that in our elections, as this voting machine in our exhibit illustrates, every voter has a free choice between those who hold public office and those who oppose them makes ours a true people's Government.

We trust the people. We constantly submit big decisions to the people. Our history convinces us that over the years the people have been right much more often than they have been wrong.

As an indication of the extent of this freedom and of our faith in our own system, 40 hours of radio broadcasts from the Soviet Union can be heard without jamming in the United States each day, and over a million and a half copies of Soviet publications are purchased in our country each year.

Let us turn now to freedom of religion. Under our Constitution no church or religion can be supported by the state. An American can either worship in the church of his choice or choose to go to no church at all if he wishes. Acting with this complete freedom of choice, 103 million of our citizens are members of 308,000 American churches.

We also cherish the freedom to travel, both within our country and outside the United States. Within our country we live and travel where we please without travel permits, internal passports, or police registration. We also travel freely abroad. For example, 11 million Americans will travel to other countries during this year, including 10,000 to the Soviet Union. We look forward to the day when millions of Soviet

citizens will travel to ours and other countries in this way.

Time will not permit me to tell you of all the features of American life, but in summary I think these conclusions can objectively be stated.

The great majority of Americans like our system of government. Much as we like it, however, we would not impose it on anyone else. We believe that people everywhere should have a right to choose the form of government they want.

There is another characteristic of the American people which I know impresses itself on any visitor to our country. As Mr. Mikoyan and Mr. Kozlov both pointed out after their visits to the United States, the American people are a peace-loving people. There are a number of reasons for this attitude: As this exhibition so eloquently demonstrates, we Americans enjoy an extraordinarily high standard of living.

There is nothing we want from any other people except the right to live in peace and friendship with them.

After fighting two world wars we did not ask for or receive an acre of land from any other people. We have no desire to impose our rule on other lands today.

Our hearts go out to Mr. Khrushchev who lost a son, to Mr. Kozlov who lost two brothers, and to the millions of other Soviet mothers and fathers, brothers and sisters, sons and daughters who mourn for their loved ones lost in defending their homeland.

But while it is generally recognized that the American people want peace, I realize that it has sometimes been charged that our Government does not share the attitude of our people. Nothing could be further from the truth.

For 7 years I have sat in the high councils of our Government and I can tell you that the primary aim of our discussions has been to find ways that we could use our strength in behalf of peace throughout the world.

Let me tell you of the background of some of those who participate in our policy discussions. The Secretary of State lost his brother in World War I. I saw boys as close to me as brothers die on barren islands 4,000 miles from home in World War II. No man in the world today has more knowledge of war and is more dedicated to peace than President Eisenhower.

Those who claim that the policies of the American Government do not represent and are not supported by the American people are engaging in a completely inaccurate and dangerous form of self-deception. Any administration which follows policies which do not reflect the views of our people on major issues runs the risk of defeat at the next election. When our elected officials cease to represent the people, the people have the power to replace them with others who do. The reason the leaders of both our major political parties are united in supporting President Eisenhower's foreign policy is that they are reflecting the views of a people who are united behind these policies.

The Government and people of the United States are as one in their devotion to the cause of peace.

But dedication to peace, good will, and human brotherhood should never be mistaken for weakness, softness, and fear.

Much as we want peace we will fight to defend our country and our way of life just as you have fought so courageously to defend your homeland throughout your history.

The peace we want and the peace the world needs is not the peace of surrender but the peace of justice, not peace by ultimatum but peace by negotiation.

The leaders of our two great nations have such tremendous responsibilities if peace is to be maintained in our time.

We cannot and should not gloss over the fact that we have some great and basic differences between us. What we must constantly strive to do is to see that those differences are discussed and settled at the conference table and not on the battlefield.

And until such settlements are agreed to, our leaders must exercise the greatest restraint, patience, and understanding in their actions and their statements. They must do nothing which might provoke a war no one wants.

The fact that one of us may have a bigger bomb, a faster plane, or a more powerful rocket than the other at any particular time no longer adds up to an advantage. Because we have reached the point in world history where the Bibical injunction "they that take the sword shall perish with the sword" is literally true today.

The nation which starts a war today will destroy itself. Completely apart from any retaliatory action which might be taken by a nation which is attacked, the deadly dust from radioactive bombs used in an attack will be carried by the winds back to the homeland of the aggressor.

With both of our great nations holding this terrible power in our hands neither must ever put the other in a position where he has no choice but to fight or surrender. No nation in the world today is strong enough to issue an ultimatum to another without running the risk of self-destruction.

The Soviet exhibition in New York and the American exhibition which we open tonight are dramatic examples of what a great future lies in store for all of us if we can devote the tremendous energies of our peoples and the resources of our countries to the ways of peace rather than the ways of war.

The last half of the 20th century can be the darkest or the brightest page in the history of civilization. The decision is in our hands to make. The genius of the men who produced the magnificent achievements represented by these two exhibitions can be directed either to the destruction of civilization or to the creation of the best life that men have ever enjoyed on this earth.

As I have said on previous occasions, let us expand the idea of peaceful competition which Mr. Khrushchev has often enunciated. Let us extend this competition to include the spiritual as well as the material aspects of our civilization. Let us compete not in how to take lives but in how to save them. Let us work for victory not in war but for the victory of plenty over poverty, of health over disease, of understanding over ignorance wherever they exist in the world.

Above all, let us find more and more areas where we can substitute cooperation for competition in achieving our goal of a fuller, freer, richer life for every man, woman, and child on this earth.

Our Bank Reserves

EXTENSION OF REMARKS

OF

HON. WILLIAM PROXMIRE

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter from Congressman HENRY REUSS, of Milwaukee, to the Sunday New York Times of yesterday be printed in the RECORD.

Mr. President, Congressman HENRY REUSS is a brilliant Congressman with a particular competence in monetary policy. He is generally reputed to be the author of the current sense-of-Congress proposal before the House Ways and Means Committee that would tie a directive on Federal Reserve policy into any change in the 4¼ percent interest ceiling on Government bonds.

The general charge against the Reuss proposal is that it is inflationary. As Congressman REUSS drives home convincingly in his letter, the "sense" amendment is not inflationary because it would not require or direct or even suggest that the Federal Reserve create one nickle of additional reserves or money supply.

It simply provides that should the Federal Reserve in its good judgment decide to expand the supply of money—as it has said it intends to do at a rate of about 3 percent a year, it should do so—when feasible—by buying Government obligations—and thus supporting the Government bond market instead of increasing reserves.

This letter of yesterday, incidentally, constitutes an excellent answer to the attacks on the Reuss resolution by the Chairman of the Board of Governors of the Federal Reserve Board and the Secretary of the Treasury—reported in this morning's papers.

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

OUR BANK RESERVES—AMENDMENT DEFENDED AS ATTEMPT TO GUIDE FEDERAL RESERVE

(The writer of the following letter is a Representative to Congress from Wisconsin.)

To the EDITOR OF THE NEW YORK TIMES:

In your editorial of July 15, "The Treasury's Problem," you ask the question: "Are there devices by which the Federal Reserve System, without pumping up the Nation's bank reserves and money supply to inflationary proportions, could help solve the Treasury's problem?"

You then look at the "sense-of-Congress" amendment to the interest-ceiling bill approved by the House Ways and Means Committee and conclude that it will not help solve the Treasury's problem without being inflationary.

The "sense-of-Congress" amendment which I proposed to the Ways and Means Committee, and which was adopted, states:

"It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should to the maximum extent consistent therewith utilize such means as will assist in the economical and efficient management of the public debt; and that the system, where practicable, should bring about future needed monetary expansion by purchasing U.S. securities of varying maturities."

MONEY SUPPLY

This amendment, it will be noted, does not require the Federal Reserve to create one nickel's worth more of banking reserves—and thus the money supply—than the Federal Reserve thinks wise. Reasonable men may differ on what the supply of money ought to be, but the amendment does not attempt to sway the Federal Reserve in any way on this. The Federal Reserve has recently testified that it envisages an average annual increase of 3 percent in the money supply. For the 2-year duration of the Ways and Means Committee bill, therefore, the amount of new reserves to be created would be on the order of $2 billion.

The question is: Should the Federal Reserve create these reserves by further lowering bank-reserve requirements, as it has been doing during the last 6 years and as it

threatens to continue to do, rather than by purchasing U.S. securities, as the sense amendment envisages.

Using the securities-purchasing method rather than the reserve requirements-lowering method would assist in the economical and efficient management of the public debt in these three ways:

Assuming purchase by the Federal Reserve of $2 billion of U.S. securities in the next 2 years, it would result in a saving to the taxpayers of the interest charge on that amount, since the Federal Reserve earnings substantially revert to the Treasury.

PRICE FLUCTUATIONS

The purchase by the Federal Reserve of these securities would at least moderate somewhat downward fluctuations in the prices of U.S. securities, and thus make them more attractive to investors.

The lodging in the Federal Reserve of a higher proportion of the debt would make Treasury financing more orderly by reducing the amount of attrition—where security-holders refuse to accept exchanges and demand cash repayment.

The sense amendment does not purport to be a universal panacea. But I believe it to be a sincere attempt by the Congress to give some needed guidance to the Federal Reserve, the agency to which the Congress has delegated some of its monetary powers.

It is not inflationary, and it does help solve the Treasury's problem.

HENRY S. REUSS.

WASHINGTON, *July 23, 1959.*

Sugar Beets in the Red River Valley

EXTENSION OF REMARKS

OF

HON. ODIN LANGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. LANGEN. Mr. Speaker, because of the great volume of mail that has come to my office expressing concern for the development and progress of the production of beets and the sugar beet industry throughout the Red River Valley, I take this means of conveying to Congress the significant part that the production of sugar beets plays in the economic stability and opportunity for the Red River Valley.

All of us, of course, are greatly concerned with the agricultural problem that confronts this Nation. In my humble opinion, there is not any crop which has as great a future potential for an improved agricultural economy as that of the production of sugar beets to the Red River Valley. The very fertile soil, climatic conditions and available labor necessary in the production of beets, are all available in abundant quantities. Possibly just as important is the fact that sugar beets is a crop that is raised as a row crop and for this reason, has a real importance to this area in the control of weeds and adds a great deal to the diversity of farming throughout the valley. These are facts that have certainly been well established during the last decade as the sugar beet industry and production have grown and prospered.

The valley now has three processing plants located at East Grand Forks, Moorhead, and Crookston, that accommodate the production of over 90,000 acres. These 90,000 acres, located in northwestern Minnesota and northeastern North Dakota, mean a gross average annual income of well over $13 million. However, this is only a small part of the potential for expanded production of sugar beets, as is so clearly indicated by the continuous desire on the part of farm people in the area to raise additional beets. During the last year there were 3,517 actual signed applications requesting beet acreages totaling 44,916 acres. Of these requests, under present limitations, it was only possible to grant an acreage of 460 acres to 18 new growers. This means that 99 out of every 100 applications had to be turned down. There might well have been requests for an additional 30,000 acres but for the fact that so many of the farmers felt that it would be only a futile effort to complete the applications. There is, as well, a great desire on the part of farmers now producing beets that they might be permitted to expand their acres. For, during the past years they have experienced reductions in their sugar beet acreage allotments. It is somewhat difficult for the farmers to understand this curtailment in the production of a crop in which we, as a Nation, produce only 30 percent of our needs.

May I take just a moment to further point to the significance that this implies to the agricultural and economic future of the Red River Valley. The production, or the growing of an additional 70,000 acres of beets would mean an additional gross income to that area of over $10 million annually. Just as significant is the fact that the production of sugar beets, which has grown to be highly mechanized in the past years, requires a great deal of machinery. The sale of these necessary implements and equipment would be of substantial benefit to the welfare of implement dealers and business enterprises throughout the many small towns. These small towns are presently having a difficult time surviving with the reduced farm income. The job opportunities that would be provided would, of course, add to the strengthening of the entire economy. Surely these are points to which we would want to give our most sincere consideration as we ponder the possible solution to the agricultural problem and the economic future of our States and Nation.

It is my hope that Congress, in its wisdom, may give adequate consideration to the potential of production of sugar beets in the Red River Valley as we direct our attention to the controversy that presently exists regarding the renewal of the Sugar Act. Not only will expanded production of sugar beets improve the gross income of farms in the Red River Valley, but it has the further potential of reducing the production of other crops which presently are in surplus and are depressing the markets.

The Department of Agriculture has just announced an 8 percent reduction in farm income for the first 6 months of 1959. This is a further indication of the need for Congress to consider every possible avenue of approach to deal in a realistic manner with the agricultural problem.

Each of these points have been substantially emphasized by the mail that I have received from so many farm people throughout the Red River Valley.

Using Farm Products in International Farm Programs

EXTENSION OF REMARKS

OF

HON. GEORGE D. AIKEN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1959

Mr. AIKEN. Mr. President, on June 30, our distinguished colleague and agricultural specialist, the junior Senator from Kansas [Mr. CARLSON], delivered before the International Economic Policy Association, at the Mayflower Hotel, an address entitled "Using Farm Products in International Farm Programs." I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

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

USING FARM PRODUCTS IN INTERNATIONAL FARM PROGRAMS

(Speech by Senator FRANK CARLSON,[1] before the International Economic Policy Association, Mayflower Hotel, June 30, 1959)

The American farmer is the world's largest exporter of food and fiber and for this reason plays an important part in our international economic programs.

The export of these farm commodities means only dollars for farmers, but it has been—and will continue to be—an important part of a program of bringing closer relationships with countries that do not have an abundant food supply. Food for Peace must be more than just a slogan—it can and must be a reality.

Our Nation must continue to expand its export market of farm products. We exported the crops from 50 million acres of cropland last year.

I do not like to delve into statistics, but it is interesting to note that slightly less than 20 percent of the total volume of all farm products similar to those produced in the United States entered into world trade.

We exported about one-half of our cotton produced—two-fifths of our wheat and rice—one-third of our soybeans and tobacco—one-third of the tallow produced in this country and one-sixth of our lard output.

At the present time we have a number of surplus disposal programs. Under Public Law 480, the Agriculture Trade Development Act, we have had programs under which we

[1] Senator FRANK CARLSON, of Kansas, is a member of the Senate Foreign Relations Committee, and has a distinguished record of public service, including six terms in the House of Representatives, two terms as Governor of Kansas, and three sessions of the Kansas State Legislature. Noted as an expert in the fields of farm and tax legislation, Senator CARLSON also serves on the Senate Finance Committee and the Post Office and Civil Service Committee. Outside the Senate, he also acts as international president of the International Council for Christian Leadership. First elected to the Senate in 1950, he was reelected in 1956.

could sell our surpluses for foreign currency—donate them to foreign countries for emergency relief—distribute them to private agencies—to hungry people at home and abroad and barter them for strategic materials.

Thirty-eight countries have participated in the Public Law 480 programs. Under title I, which allows surplus sales for local currencies, India has received $544 million, Yugoslavia $341 million, Spain $276 million, Pakistan $240 million, and Brazil $155 million from U.S. surplus stocks.

Through our mutual security program we are distributing our agricultural commodities at the rate of $175 million per year. This $175 million was continued for another year in the authorization bill which is before Congress.

Many are asking why it has not been possible to make greater use of the ever-increasing surpluses, particularly wheat. I think it should be mentioned that there are three principal reasons:

1. The most important is the problem of competition. This makes a real problem in dealing, particularly, with our Canadian neighbors to the north who also have great surpluses of wheat.

Only last month the Canadian Chamber of Commerce complained that the United States was using subsidized flour as an economic weapon to displace Canada from second place as a supplier to the new West Indies Federation.

2. Another problem we have in moving this food to foreign countries is the inability of many of the underdeveloped countries to handle incoming shipments.

For instance, we send a shipload of American wheat to India every day, but India's ports are so congested that it is impossible to secure immediate handling of our shipments.

Many suggestions have been made that improved unloading and handling facilities at the docks be arranged, but these suggestions have met opposition from the Indian Government because of the great surplus of labor, and therefore, the unloading is done mostly by hand.

In addition to this problem, we have the problem of inadequate storage and distribution facilities in most of the underdeveloped countries.

3. Congress must appropriate money to reimburse the Commodity Credit Corporation for stocks that are removed and distributed for food in needy countries.

Many of us on the Senate Foreign Relations Committee had hoped that we might increase substantially the amount of money available for food through the mutual aid program, but evidence was presented to our committee which indicated that the present authorization of $175 million was about all that could be used, based on the facilities that the underdeveloped countries had for receiving and distributing this food.

From a humanitarian standpoint, I know of nothing we can do as a Nation that will win friends faster and more permanently than getting food and fiber into the hands of the needy.

We had evidence and testimony showing that these gifts through our mutual aid program prevented millions of people from starving to death.

The distribution of this food to underdeveloped countries where there are millions of needy and undernourished people is more than a commodity disposal operation—it has important psychological value. In my opinion, it is one of the most effective forms of foreign aid.

The possibilities of this program have been amply demonstrated in India. Since 1956 the United States has shipped the following farm products to India out of our surplus production: 230 million bushels of wheat, 8 million bushels of corn and sorghum, 4.3 million bags of rice, 235,000 bales of cotton, 5 million pounds of tobacco, and 25 million pounds of dried milk.

These millions of tons of American agricultural products are vital to India for more than purely humanitarian reasons.

This successful experience in India with the constructive uses to which our farm surplus has been put illustrated why the Congress must reenact legislation dealing with this problem. It is a program that we can use to great advantage in other underdeveloped countries.

I, personally, had an opportunity to see the result of these programs in Pakistan, India, Thailand, and Formosa.

While it is essential that we maintain programs of military assistance, defense support, and economic aid, it is, in my opinion, equally important that we continue to build good will and friendship, based on our Nation's Christian teachings and background that we are "our brother's keeper."

Our military strength—our great national production through the private enterprise system—and the humanitarian aspects of our people, by giving aid to those who are less fortunate, have placed us in an enviable position among the nations.

A Bill To Insure an Adequate Return on Social Security Trust Funds

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. REUSS. Mr. Speaker, I have today introduced H.R. 8407, a bill to remove the Secretary of the Treasury as managing trustee of the social security trust funds, and to substitute for him a person without conflicting interests; and to require a return on the social security trust funds as near as possible to the return being realized by regular investors in U.S. Government securities.

The old age and survivors insurance trust, and the Federal disability insurance trust, have been built up over the years since 1936 by the contributors of employees and their employers. As of May 31, 1959, the funds had assets of $20.4 billion, all of it invested, by law, in U.S. securities. Of this $20.4 billion, $3.2 billion are in assorted notes and bonds of public issues, whereas $17.2 billion are in so-called "special obligations."

The $17.2 billion of special obligations earned an average interest rate of only 2.556 percent as of May 1959. On the other hand, the average yield on marketable U.S. bonds for May 1959, was 4.08 percent. This means that the social security funds were and are being forced to accept a return of 1.53 percent less than they would have received if their investing trustees had been obtaining in the long-term U.S. securities market the going rate of return. At this rate, the participants in the social security funds will lose more than $260 million worth of interest in this year alone. In some degree this has been going on since 1953, when money first started to get tight, and the interest rate on U.S. securities began to climb. Unless checked by Congress, this shortchanging of the old folks will continue.

The interest yield is an important part of the total of the social security funds. The official publication, "Social Security Financing," by Ida C. Merriam, published by the Social Security Administration in 1952, assumed that "ultimately roughly one-third of benefit outlays will be met by interest earnings"—page 41.

This interest, compounded, is what keeps the fund actuarially sound. Together with current contributions, it is necessary to pay retirement benefits, aids to widows and dependents, and disability benefits. To the extent that the fund is depleted because its managers accept less than the going rate of interest for U.S. securities, extensions of benefits, both in amounts and in coverage, that would otherwise be possible consistent with actuarial soundness, are prevented.

The history of social security legislation reveals how this shortchanging of participants has come about. Under the original Social Security Act of 1935, the social security funds drew interest at the rate of not less than 3 percent a year, which was perfectly fair to the participants, since 3 percent was above the going long-term rate of interest.

In 1939, the present trust fund management agreement was set up, consisting of the Secretary of the Treasury as managing trustee, together with the Secretary of the Labor and the Chairman of the Social Security Board—later the Secretary of Health, Education, and Welfare. The 1939 act also authorized the investment of the social security funds in any U.S. marketable securities, and also in special obligations, which were to bear interest at a rate equal to the average coupon rate of interest on the entire national debt. In 1956 came a slight amendment, changing the rate on special obligations to the average coupon rate on obligations of 5 years and over. This result in the inadequate 2.556-percent yield, now that yields of old outstanding U.S. bonds greatly exceed their coupon rate.

The present $17.2 billion holdings, of special obligations is almost three-fourths concentrated in certificates or notes callable in this year, 1959—a total of $12,374,300,000. $4,825 million are in bonds callable in 1963. The average return on the entire $17.2 billion, as I have indicated, is 2.556 percent.

To make the Secretary of the Treasury managing trustee of the social security funds as Congress has done, is to place him, as trustee, in an impossible conflict-of-interest situation. He is being made to serve two masters, which no man, particularly a trustee, can do.

As guardian of the social security trust funds, he and his cotrustee are duty bound to invest that money in U.S. securities so as to yield the highest possible return consistent with sensible administration. There is nothing in the law which requires the trustees to buy 2.556 percent special obligations, rather than outstanding U.S. securities yielding 4½ percent or more.

As Secretary of the Treasury, his duty is to administer the national debt at the least possible cost to the taxpayer. Here

arises a square conflict—in this year a $260-million conflict.

Under the Treasury-Federal Reserve debt-management policies of the last few years, most holders of the national debt have never had it so good. Banks have made record-breaking profits out of their holdings of U.S. securities. Institutional and individual investors have likewise profited very substantially. For example, within the last few weeks the Treasury had to pay investors 4.728 percent for 1-year money.

But the joke—and it is a wry one—is on the old folks. While other money lenders were getting 4.728 percent for a 1-year loan to the Treasury, the social security funds were compelled to struggle along on 2.556 percent.

Last January the Treasury issued a 21-year 4-percent bond. If you or I, Mr. Speaker, had been trustees of the social security funds, surveying our portfolio yielding only 2.556 percent, we would have jumped to invest hundreds of millions in this 4-percent issue. Instead, the Treasury allowed the funds to purchase only $18 million.

The law of trusts is clear that a trustee must use the utmost care to invest trust property in the most productive manner possible without risking the loss of principal—Scott, "The Law of Trusts," 22d edition, volume III, section 277. Where trustees permitted money owing them by a corporation of which they were directors and officers to remain unpaid, they were held personally chargeable with the loss to the trust—*Matter of Keane* (95 Misc. 25, 160 N.Y. Supp. 200 (1916)).

Where the trustee lent trust funds to a corporation of which he was president, which later failed, he was held liable for the resulting loss. *Humpa* v. *Hedstrom* (345 Ill. App. 289, 102 N.E. 2d 686 (1951)). See also *In Sparks Estate* (328 Pa. 384, 196 Atl. 48); *In Matter of Whitmore* (172 Misc. 277, 15 N.Y.S. 2d (1930)); *Parsons* v. *Wysor* (180 Va. 84, 21 S.E. 2d 753 (1942)); *Carrier* v. *Carrier* (226 N.Y. 114, 712, 123 N.E. 135, 858 (1919)).

I am not suggesting that Secretary Anderson should have to restore to the social security funds the $260 million or so which will be lost this year to participants because of his failure to obtain for his beneficiaries the same yield on U.S. securities which other trustees are obtaining for their beneficiaries. I am suggesting that the Secretary of the Treasury should be removed from his conflict-of-interest situation. To this end, H.R. 8407 removes the Secretary of the Treasury as managing trustee of the fund, and instead provides for the selection of the managing trustee by the two other trustees, the Secretary of Labor and the Secretary of Health, Education, and Welfare.

The bill further provides that the reconstituted Board of Trustees shall within 4 months submit to Congress a comprehensive report, including recommendations for changes in the law, whereby the interest yield on social security funds "can be made most nearly equal to the yield earned by private investors of insurance funds from investments in securities of or guaranteed by the United States." Last January the Advisory Council on Social Security financing recommended that special obligations should have a yield equal to that of outstanding U.S. 5-year obligations—currently above 4 percent. This would be a vast improvement over the present yield on special obligations. Even this new rate, however, may be inadequate in view of the callable character of special obligations. And the Treasury, it should be noted, opposes the advisory council's recommendations.

To permit Congress to act intelligently we need this advice of a managing trustee without a conflict of interest.

H.R. 8407 specifies that the managing trustee, in addition to not having any conflicting interests, shall be a person of recognized integrity, and shall have a thorough knowledge of the insurance program established by this title and its problems. Surely there are numerous able Americans who could act as managing trustee.

The text of HR. 8407 follows:

A bill to amend title II of the Social Security Act to change the composition of the Board of Trustees of the Social Security Trust Funds, and to require a comprehensive report to the Congress with respect to the investment of such Funds

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That (a) section 201(c) of the Social Security Act is amended by striking out the first two sentences and inserting in lieu thereof the following: "With respect to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (hereinafter in this title called the 'Trust Funds') there is hereby created a body to be known as the Board of Trustees of the Trust Funds (hereinafter in this title called the 'Board of Trustees'), which Board of Trustees shall be composed of the Secretary of Labor, ex officio, the Secretary of Health, Education, and Welfare, ex officio, and a third member who shall be selected jointly by such two Secretaries in the manner provided in subsection (i) and shall be the Managing Trustee of the Board of Trustees (hereinafter in this title called the 'Managing Trustee')."

(b) Section 201 of such Act is further amended by adding at the end thereof the following new subsection:

"(i)(1) the Managing Trustee shall be selected from among individuals in private life who are persons of recognized integrity, and shall have a thorough knowledge of the insurance program established by this title and its problems, with no conflicting interests which would hinder the performance of disinterested public service either in the investment of the Trust Funds or in the other functions and duties vested in the Managing Trustee.

"(2) The term of office of the Managing Trustee shall be four years.

"(3) The Managing Trustee shall receive compensation at the rate of $100 a day for each day he is actually engaged in the performance of his functions under this Act, and shall in addition be reimbursed for the actual and necessary expenses incurred by him in the performance of his duties.

"(4) The Secretary of Health, Education, and Welfare shall make available to the Managing Trustee, from the personnel, facilities, and services of his Department, such secretarial, clerical, technical, and other assistance, and such information and data, as may be necessary or appropriate to the performance of the duties of the Managing Trustee."

SEC. 2. (a) The first sentence of section 201(g)(1) of the Social Security Act is amended by striking out "estimated by him and the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "estimated and certified to him by the Secretary of Health, Education, and Welfare and the Secretary of the Treasury".

(b) The first sentence of section 201(g)(2) of such Act is amended by striking out "estimated by him" and inserting in lieu thereof "estimated and certified to him by the Secretary of the Treasury".

(c) Section 205(i) of such Act is amended by striking out "through the Fiscal Service of the Treasury Department," and inserting in lieu thereof "in such manner as may be appropriate".

(d) Section 218(h)(3) of such Act is amended by striking out "through the Fiscal Service of the Treasury Department" and inserting in lieu thereof "in such manner as may be appropriate".

SEC. 3. Upon the selection of the Managing Trustee of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Trust Fund under section 201(c) of the Social Security Act as amended by the first section of this Act which shall be accomplished within thirty days after the date of the enactment of this Act, the Board of Trustees as constituted under such section as so amended shall assume, continue, and carry out all of the functions and duties which were being performed by the Board of Trustees as constituted before such amendment, and the Managing Trustee so selected shall assume, continue, and carry out all of the functions and duties which were being performed by the Managing Trustee provided for by such section as in effect before such amendment.

SEC. 4. Within four months after the date of the enactment of this Act, the Board of Trustees provided for by section 201(c) of the Social Security Act as amended by the first section of this Act shall submit to the Congress a comprehensive report, including its recommendations for changes in the law, with respect to the investment of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, with particular reference to the ways in which the interest yield to such Funds can be made most nearly equal to the yield earned by private investors of insurance funds from investments in securities of or guaranteed by the United States. Such report shall include recommendations on the maturity of obligations subscribed by or issued to such Trust Funds; the proportion of such Funds which should be held in short-term obligations; the relative desirability of subscription to public issues of securities to the Trust Funds or to special issues of such securities; the desirability of establishing a statutory minimum interest rate on special issues of obligations to such Trust Funds; and any other matters deemed by the Board of Trustees to be appropriate or relevant.

Twenty-third Annual Conference of National Association of County Officials

EXTENSION OF REMARKS

OF

HON. ROBERT A. EVERETT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. EVERETT. Mr. Speaker, I have just returned from Detroit, Mich., where

the National Association of County Officials is holding its annual convention. This association has as its officers and directors: W. H. "Pat" Johnston, president, Georgia; William E. Dennison, first vice president, Michigan; Dan Gray, second vice president, Alabama; William O. Druffel, third vice president, Washington; Lawrence M. Lear, fourth vice president, New Jersey; G. A. Treakle, treasurer, Virginia; Bernard F. Hillenbrand, executive director, Maryland.

Board of directors: Norman A. Peil, chairman, Pennsylvania; Mark Johnson, Utah; Francis J. Pritchard, Connecticut; C. Arthur Elliott, Iowa; James H. Aldredge, Georgia; Marion Fogleman, Louisiana; Lester R. Gopp, Wyoming; Donald M. Neff, New York; Lloyd Rea, Oregon; Lemuel R. Johnson, North Carolina; Merle K. Anderson, Illinois; Herman C. Kersteen, Pennsylvania; C. L. Swenson, Idaho; David Bird, California; Keith McBurney, Colorado; Hurshel Jacobs, Indiana; Judge C. Beverly Briley, Tennessee; Earl W. Simmons, Florida.

Western regional district: Lester Gopp, president, Laramie County, Wyo.; M. James Gleason, vice president, Multnomah County, Oreg.; William R. MacDougall, secretary treasurer, Sacramento County, Calif.; Keith McBurney, national director, Colorado; Cleo Swenson, national director, Idaho.

National Association of County Recorders and Clerks: William P. Gable, Jr., Tulsa, Okla., president; Thomas P. Chapman, Jr., Fairfax, Va., first vice president; Hazel T. Chase, Salt Lake City, second vice president; D. H. Sloan, Jr., Bartow, Fla., third vice president; Mrs. Gertrude McCain, Celina, Ohio, secretary-treasurer; Mrs. Lucille Dunn, Hutchinson, Kans., historian.

National Association of County Engineers: Leighton O. Hester, Florida, president; Donald L. Smith, Alabama, regional vice president, southeast; Rufus Kirk, Kansas, regional vice president, south-central; C. Arthur Elliott, Iowa, regional vice president, north-central; Walter E. Rusk, Ohio, regional vice president, northeast; John A. Lambie, California, first vice president; L. T. DeBardeleben, Alabama, secretary-treasurer.

National Association of County Treasurers and Finance officers: Sharp M. Larsen, Salt Lake City, Utah, president; William A. Bell, Girard, Kans., first vice president; Howard L. Dietrick, Rock Island, Ill., second vice president; Lucille Woofendale, Indianapolis, Ind., third vice president; Robert Fitzsimmons, Minneapolis, Minn., secretary.

Conference of State Association Executives: C. L. Chamberlain, New York, chairman; William B. Speck, Virginia, immediate past chairman; Jack Lamping, New Jersey, secretary.

The staff of this association is composed of: Staff of National Association of County Officials: Bernard F. Hillenbrand, executive director; Alastair McArthur, assistant director for research and field operations; Jack Merelman, assistant director for Federal affairs; Philip B. Warren, Jr., assistant director for publications; Sally Ann Johnson, office manager; Elizabeth Loughlin, production manager; Sue Skillcorn; director of finances; Jacquelyn Pritner, administrative assistant.

More than 2,000 elective and appointed county officials are attending this 23d annual conference of the National Association of County Officials.

This meeting is one of the largest and most important national assemblies ever held on local government. The theme is "The Rebirth of the American County," and plays up the tremendous strides made by these local government units within the past few years. Counties are now assuming an everbroadening list of municipal-type services and are taking over many area-wide functions either alone or in conjunction with other agencies. Among these projects in key metropolitan areas are sewage, water, air pollution control, and airports.

Seven panel sessions are being presented during the conference, three are running simultaneously today and three more the following morning. These are: "How To Save Your County Money," "Improve County Administration," "A Successful Bond Sale," "Counties and the Press," "Massive Cooperation," and "How To Conduct Studies of Local Government." Each will feature a board of knowledgeable and nationally known experts in the fields under discussion.

The third general session, that same afternoon, will be devoted to adoption of resolutions, changes in the association's policy statement, the American county platform, and the election of officers and directors.

Following a custom started last year at the association's 22d annual conference in Portland, Oreg., Federal officials responsible for administering grants-in-aid and other U.S. programs of direct concern to localities are at the conference. They are answering questions concerning their programs and are giving personal advice and afford personal contact, for the county officials have from year to year to meet with the Federal officials responsible for many of these programs.

During the meeting the three affiliated functional groups, the National Association of County Recorders and Clerks, the National Association of Engineers, and the National Association of County Treasurers and Finance Officers, as well as the State Association Executives, are holding separate programs within the framework of the NACO meeting. Another fast-growing group within the national organization, the County Executives, will be informally organized during the conference. Some State associations are holding breakfasts and other functions on their own.

Each of NACO's nine standing committees are meeting during the conference. They are hearing leading Federal and other authorities within their areas of concern and are passing on policy statements for consideration by the membership.

I know that Members of the Congress will be pleased to know that these county officials, their constituents from over this great Nation of ours, are holding this meeting to help improve county government, exchange ideas, and to render a greater service to their people.

Hog Marketing Premium Payments Bill

EXTENSION OF REMARKS

OF

HON. EARL HOGAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1959

Mr. HOGAN. Mr. Speaker, I am introducing for appropriate reference a bill to prevent any further drastic drop in the price of hogs. The average price received by farmers for hogs over the United States has dropped by over $6 during the past year. This is a drop of about one-third. In terms of parity, the price of hogs in June of this year had dropped below 70 percent.

Forecasts published in private trade journals as well as in U.S. Department of Agriculture bulletins indicate that unless something is done soon the prices received by farmers for hogs will continue to drop throughout the rest of this year and most of 1960.

The bill I am introducing today is an attempt to stop further decline in hog prices by working directly upon the cause for the weakness in the market, an oversupply of pork. The proposal provided in my bill is designed to slow the rapid buildup in hog numbers and bring about a quick adjustment in pork production before farmers' income from hogs becomes critically low. My bill seeks to reduce the total production of pork by making marketing premium incentive payments on lightweight hogs. The small payment involved would help directly, of course, to make up for some of the lowness in price. But the major effect of the payment on lightweight hogs is not the direct income effect but rather its supply-reducing effect which should help prevent the prices of hogs from dropping to an extremely low level as they did at the bottom of the cycle in 1955 and 1956.

Various methods could be used to help bring about more orderly marketing and managed bargaining on the part of hog producers. But as a short-run program to stop the hog price decline that is already upon us, it is felt that direct payments to farmers would have more success in bringing about rapid adjustment than any other type of Government action.

Following is the program designed to deal with the short-run problem as provided in my bill:

First. The marketing premium payment would be applicable to all slaughter hogs marketed at live weights between 180 and 200 pounds.

Second. Producers presenting invoices of sales of lightweight butcher hogs could collect their marketing incentive payment at the county office.

Third. The payment would vary in accordance with how low the price of hogs

should become. My object is to make the incentive large enough so that the market supply of pork will be reduced.

The program proposed in my bill is not a longrun solution to the hog marketing problem. It is frankly a stopgap program to meet an emergency situation. It is aimed at encouraging a more orderly adjustment of volume of hogs slaughtered and to supplement hog farmers' income for a short period until the hog cycle can right itself. The program would remain in effect for a maximum of 1 year at a time. It should be extended for greater periods. Its purpose is to prevent the bottom of the hog price cycle from becoming so low.

The cost of the program can be estimated only approximately since no one knows for sure how low the price of hogs might go in the absence of the program. But in no event may the program provided in my bill require payments of more than $150 million in any one year. The program provided by my bill is self-limiting. If the price goes down owing to large marketings, the value of the premium payment on sale of lightweight hogs becomes more important relative to total return, this encourages larger numbers of farmers to sell at the lighter weights and qualify for the premium payment. This means that hogs would be marketed at 190 pounds, instead of at, say, 240 pounds per head. This would be a reduction per head of as much as 50 pounds less pork being placed on the market. This reduction in market supply would cause the market price to rise, thus reducing the volume of payments that would actually have to be made.

Mr. Speaker, it is an old saying that great minds often run in the same channels.

I have been working on this proposal for some time. I had been waiting to introduce it until it seemed like the proper time to catch hog prices before they drop too far.

I was surprised and gratified to note in the newspaper the other day that others had been working on a similar proposal. Among others who have been giving thought to this proposal has been the agriculture committee on the National Planning Association, which just recently put out a policy statement advocating premium payments on sale for slaughter of lightweight hogs.

I should like to read excerpts from the policy statement of the National Planning Association. While the specific mechanics of the proposal they have recommended is slightly different from that provided in my bill, the proposals are very similar:

TOO MANY HOGS

Heavy hog supplies in 1960, and resulting low prices, are likely to create a problem which will seem all the more acute because 1960 is a presidential year. Under these circumstances, there will be many pressures for Government intervention. There are likely to be proposals submitted which will not stem from a thorough analysis of conditions but from political expediency and which, if put into effect, might be detrimental to hog producers.

In this situation it is desirable that prompt attention be given to the problems before they become acute, in the hope that conditions can be carefully appraised and the best course of action determined. * * *

It should be emphasized that the type of Government action which we believe would be most appropriate and which is set forth below is designed to slow the rapid buildup in hog numbers and bring about a quick adjustment in production before farmers' income from hogs becomes critically low.

PRESENT FEED GRAIN SITUATION

For 7 consecutive years, the stocks of feed grain have increased and by October 1, 1959, will be nearly four times the level of 1952 which was considered to be about a normal carryover. This has occurred during a period when the number of grain consuming animal units was relatively large and the quantity of feed per animal unit was at an alltime high. It has occurred during a period when the population of the country was expanding at the rate of nearly 3 million persons per year, and the consumption of meat and poultry, per capita, averaged above any other 7-year period since the turn of the century. Yet, surplus stocks of feed grain have accumulated at a rate of about 8 million tons per year.

The present feed grain carryover will amount to about 75 million tons by October 1, 1959. Practically all of this carryover is owned or under loan by the Commodity Credit Corporation. The annual excess production of feed grains and the magnitude of present storage stocks have become major problems.

The production of feed grains for each year from 1955 through 1958 was higher than for any previous year except 1948 (and the last 2 years were alltime records). Despite the fact that the Government, through its price-support programs, has accumulated record surpluses, prices of grains have fallen rapidly. The price of corn fell from about $1.72 per bushel before the new crop was available in 1952 to about $1.16 during the same period of the year in 1958. The price of oats fell from about 80 cents per bushel in the summer of 1952 to 56 cents in 1958. The price of sorghum grain fell from $1.61 per bushel to 97 cents during the same time.

OUTLETS FOR FEED GRAIN

Over 80 percent of domestic feed grains are used for feeding livestock. The demands for feed grains for food, seed and industry normally account for about a tenth of total utilization. Exports which account for the remainder have varied from 0 to 7 percent. * * *

Cattle feeding is at an alltime high. However, the current buildup in cattle numbers will mean that there will soon be a greater supply of lower grade cattle on the market to compete with fed cattle. Under free market conditions, it is unlikely that cattle feeding will increase very fast in the face of rising pork output and later, rising total beef output. Cattle feeding remained practically constant from the end of 1952 (5,762,000 head), when large marketings of lower grade cattle began, until the end of 1957 (5,867,000 head), after the cattle and hog cycles had turned downward, despite the fact that the supply of feed grains was large and increasing during this period.

Poultry production is also at an alltime high after a rapid increase during the last 4 years. However, with increasing red meat production, it is unlikely that the rate of expansion in poultry will be maintained over the next few years. * * *

One of the most probable outlets for part of the present large feed grain supply is the hog industry. This industry is already a big user of feed grains. About 80 million hogs are produced for sale in this country each year. Usually about 450 pounds of feed concentrate are fed for each 100 pounds of live hogs, or about one-half ton per hog marketed. This amounts to about 40 million tons of feed grain per year.

During the past year, under conditions which favored an expansion in hog production, numbers have increased rapidly. It is almost inevitable that the increase in hog production will result in an even larger percentage decrease in hog prices.

Large price reductions at retail are necessary to stimulate consumers to purchase the increased production. These price reductions are so large that the farmers actually receive less total dollars from the marketing of a large crop of hogs than they do from a small one.

Recent estimates indicate that a 10-percent increase in hog production is associated with about a 25-percent decrease in hog prices. The likely income depression resulting from the current increase in production is one of the big problems currently facing the hog industry.

NO QUICK SOLUTION FOR GRAIN PROBLEM THROUGH HOG EXPANSION

However, any sharp buildup in hog numbers could give consolation in one respect: it would mean larger disappearance of feed grains. The thought might be entertained that at a reasonable cost, a hog program could be established with the object of using up the surplus feeds within a short period of time. But there is little hope of this, even if production of feed grains were held in close check.

The two problems, one of huge grain surpluses, the other of low and cyclical incomes to hog producers, are diametrically opposed. Any attempt to quickly feed a substantial amount of the grain surplus through hogs would severely depress the hog industry, disrupt resources in the industry, and would likely be very costly to the Government because of political pressures to assist the distressed producers. On the other hand, any attempt to reduce hog production to raise prices in the short run would add to the grain surplus.

The carryover on feed grains on October 1, 1959, will be about 75 million tons or 55 million tons more than a normal carryover. The approximately 80 million hogs which are now produced each year consume about 40 million tons of feed. This rate of production has grossed the farmer an average of about $17 per hundredweight during the last cycle.

If hog production were increased an average of 25 percent to about 100 million hogs per year, usage of feed would be increased about 10 million tons per year. But if the recent relationship between hog production and prices continued, prices of hogs on a free market basis would fall approximately 60 to 65 percent to average about $7 per hundredweight. This would reduce annual gross farm income from hog marketings on the free market from the $3.2 billion which it has averaged recently to about $1.6 billion, a reduction of about $1.6 billion per year. And even at this rate of hog production, it would take about 5½ years to reduce the present feed surplus to a level of 20 million tons, assuming that the production of feed grains, beginning with the 1959 crop, were successfully adjusted to other demands so that there were no new additions to surplus. During these 5½ years, gross income to hog farmers from the free market would be reduced about $9 billion relative to the average hog income over the past few years.

To look at the problem from another angle, suppose the current surplus grain stocks were insulated from the market, that is, frozen at their present size of 75 million tons. If this were done and if production continued to outrun utilization by about 8 million tons a year, what would be the effects if the excess output were fed through hogs? This excess production would feed about 16 million more hogs per year, increasing hog

output 20 percent. Prices of hogs would probably drop about 50 percent, or from $17 to $8.50 per hundredweight, and cause gross farm receipts from hogs to decline from about $3.2 billion to about $1.9 billion per year.

THE HOG PROBLEM

From the year ending June 1954 to the year ending October 1956, federally inspected hog slaughter increased from 50.3 million to 67.6 million hogs. This was a 34-percent increase in 28 months and occurred under peacetime conditions. It occurred with a feed grain carryover less than half the present size, during years of average feed grain production with grain prices above present levels and during years of relatively high beef production which furnished strong competition against pork. Under present conditions of record large stocks of grains, record large current grain production, record hog-corn ratios in 1958 (average 18.6; previous record was 17 in 1926), and less competition from beef, the ingredients for a rapid buildup in numbers exist.

Production changes of the magnitude indicated above can bring violent changes in the free market prices for hogs. The annual average price received by farmers for hogs dropped from about $23 during the year ending May 1954 to about $13 during the year ending July 1956. Thus the price was nearly halved in 26 months. When the cyclical effects are compounded by the seasonality of production, even more fluctuation is observed. The farm price of hogs varied from a monthly average of $26.40 in April 1954 to only $10.60 20 months later. Cash receipts from sales of hogs fell from an annual level of $3,455 million in 1954 to $2,628 million in 1956.

LIKELY EVENTS WITH NO GOVERNMENT INTERVENTION

Under free market conditions, the present expansion in hog breeding which began about January 1958 will likely continue through at least part of 1960. Under conditions which did not appear to be any more favorable, if as favorable, to increasing hog numbers, the expansion in breeding during the last cycle continued for 26 months.

Marketings will likely peak during the winter and spring of 1960–61 and prices are likely to be near, and could slip below, prices of the 1955–56 winter low. A more level seasonal pattern of marketings may help keep prices from going extremely low during any particular month. But it is also possible that such a pattern could result in prolonged low prices for several successive months. At the bottom of the previous price cycle, the farm price of hogs was below $12 only in December 1955 and January 1956. It is possible that in the current cycle prices will be below $12 for several months. * * *

The instability of production which tends toward cyclicality not only has adverse effects on farm incomes, but it creates problems for market agencies, packers, and consumers. Fluctuations in hog production undoubtedly cause the establishment of excess marketing and processing facilities. It probably results in such facilities being operated at other than optimum levels of efficiency much, if not most, of the time. It tends to cause earnings of packers and marketing agencies to vary rather widely, as they are presented with problems in trying to merchandise a perishable product with resources which cannot be made as flexible as pork production. A highly variable supply for retail distribution is also undesirable because of the possible effects it has on the demand for pork. The high prices which tend to follow unduly low prices cause consumers to turn to alternative foods with the probable result that pork has to again fall to unduly low price levels to attract back some of its former consumers.

Even though the outlook for hogs during the next 18 months is not bright, there will be strong and well-reasoned arguments to let the situation run its course without Government interference: "The cure for 10-cent hogs is 10-cent hogs." Nevertheless, as numbers build up and prices decline, pressures for Government action will probably intensify. The peak of production is likely to come during the 1960 election campaign and it is only realistic to expect wide discussion of the problem. Careful thought needs to be given now to the question of what the objectives of Government action should be, and to the program which might best accomplish these objectives.

Governmental buying and surplus disposal programs are almost certain to be proposed as hog prices skid. These are essentially transfer payments from taxpayers and consumers to hog producers. However, it is difficult to find outlets for such purchases. Any large amount of disposal in the domestic market would probably have some adverse effect on the normal demand for pork. It is difficult to dispose of any large amounts in foreign markets without creating diplomatic problems. Such a program would not be effective in bringing about an adjustment in hog production; nor could it likely be of such magnitude as to have any material effect on producers' incomes. However, it should be used to the extent that it is feasible. * * *

DIRECT PAYMENTS

If governmental action is to be taken, it would appear that direct payments to farmers offer the best promise of dealing with the currently developing short-run hog problem. A direct payments program on lightweight hogs, properly conceived and administered, could accomplish the primary objectives. It would supplement producers' incomes; and by being applicable to only lightweight hogs, it would reduce the total potential pork which would normally be marketed from the available hogs, and thus of itself tend to raise prices and reduce the amount of subsidy. It would allow the free market forces of price differentials for quality, location and such factors to operate. It would reduce lard production, and provide leaner pork to consumers which could result in an increased demand for pork. It could be set up and be put into effect in a relatively short time, and would be readily understood by those involved. While it would lower the utilization of feeds in the short run, by tending to smooth the fluctuation in production, the amount of grains consumed over the entire cycle should be as high as if the free market were allowed to run its course. * * *

It is our thought, however, that this would be a stopgap program to meet an emergency situation. It is aimed at encouraging a more orderly adjustment in hog numbers and supplementing hog income over a short period. It would not appear that a seasonally adjusted base price or restriction of payments to meat-type hogs would aid in either of these objectives in the short run, but would only complicate the administration of the payments. It might be argued also that the payment should be triggered by the hog-corn ratio rather than by a fixed base price; or at least, that the hog-corn ratio should be used in conjunction with a base price in determining when payments should be made. However, most of the corn fed to hogs is fed on the farms where the corn is produced, and if the price of hogs goes to a low level, hog farmers would probably need assistance even if the hog-corn ratio were above a prescribed level. Also it appears that at the turning point of the last cycle, the adjustment in numbers was more closely tied to the prive level of hogs than to the level of the hog-corn ratio.

The cost of the direct subsidy program can only be roughly estimated. If 90 million hogs are marketed and this causes hog prices to decline to $11 per hundredweight, the total gross income to hog producers on a free market basis would be about $2.1 billion. Assuming that the cost of raising hogs, exclusive of the cost of labor and management, was $10 per hundredweight, the net return to farmers would then be $200 million. If hogs were supported at $12.50 and two-thirds of the hogs were marketed under 200 pounds so as to be eligible for the subsidy, nearly $200 million would be spent during the year in direct support of hog producers' incomes. This would about double the next return to producers.

SENATE

TUESDAY, JULY 28, 1959

The Senate met at 11 o'clock a.m.

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

O Thou God of our salvation, to Thee, whose mercy is like the wideness of the sea, we lift our hearts in this morning prayer bringing nothing but our need and the adoration of our contrite hearts.

From Thy hands we have received the gift of life, the blessings of home and of friendship and the sacrament of nature's beauty.

Thou hast given us demanding work to do and the strength wherewith to do it.

We pray that in our appointed tasks we may be preserved from impatience and depression. Grant us in our brief working day some part in the fulfillment of Thy mighty purpose for the world.

Amid all the distraction of this complicated modern life, with its hectic events, keep our hearts childlike and trustful, free from corroding cynicism, that the gates of the kingdom closed to the merely clever and conceited may be open to us as we come in the sincerity and simplicity of the Holy One in whose name we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 27, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, July 28, 1959, the President had approved and signed the following acts:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes; and