to avert a collapse of our program to build a National System of Interstate and Defense Highways becomes more acute. There is general agreement that action to insure continued construction must, and will, be taken. The question is whether we shall make continuation of this vital program conditional upon a further increase in the Federal sales tax on gasoline.

Mr. President, the power of Congress to levy taxes is one which must be used wisely. In determining what kind of a tax shall be imposed, consideration must be given, not only to the need for revenue, but also to the question of whether the proposal is fair and would result in an equitable sharing of the overall tax burden.

I have already pointed out to the Senate that highway users, in addition to paying all types of taxes levied upon taxpayers generally, are paying direct excise taxes in an amount substantially in excess of the cost of highway construction, a program of which they are one, but by no means the sole, beneficiary. Yet it is now proposed to impose upon them a still greater burden.

Gasoline is an essential commodity. Almost everyone must use it in one way or another to earn his livelihood. The burden of this tax falls equally upon all with no regard whatever to ability to pay. It is a regressive tax in every sense of the word. The wage earner pays at the same rate as does the top corporation executive.

With all the loopholes and areas of tax favoritism which remain uncorrected, I cannot believe that this Congress, after due deliberation, will determine that the highway user is the one class of taxpayer upon whom an additional levy may equitably and fairly be imposed.

Already gasoline is the most heavily taxed essential commodity. In many States the Federal and State sales taxes combined are approximately equal to the cost of the fuel at the refinery. Indeed, there are few luxuries which bear a tax proportionately as heavy as this essential commodity.

It is said that this additional levy is to be imposed only for a temporary period of 1 or 2 years, to meet an emergency. I would remind my colleagues that the history of taxation is replete with examples of temporary taxes which have become permanent fixtures. Just this year the Congress once again extended the corporate and excise tax rates. The excise taxes imposed on transportation and communications as wartime measures during World War II are still partially with us.

Should this Congress increase the gasoline tax for a definitely prescribed period, the same arguments will be made in the future for its extension that are now made in support of its adoption.

Some appear to contend, Mr. President, that we must increase the gasoline tax because there is no other fiscally responsible way to continue the highway program. The fact is, however, that there is another course of action which will permit the program to go forward without increasing overall appropriations from the general fund of the Treasury.

I have proposed that appropriations for fiscal 1960 be reduced by 1 percent, with the amounts derived from this recission transferred to the Highway Trust Fund to provide funds to pay the States the money the Federal Government is obligated to pay them. I emphasize, Mr. President, that the maximum amount by which any program would be reduced is 1 percent of the amount appropriated. In those instances in which the full amounts appropriated are required by law to be paid, the reduction would not apply, and the President is given the discretion to make this determination in instances other than those enumerated in my bill. I do not believe it can reasonably be asserted that a reduction of 1 percent would be disastrous to any of the many programs for which we annually appropriate funds.

To those who believe that the Congress should act to reduce expenditures, my proposal should appear indeed modest. Yet the amount of the reduction would be adequate to eliminate the 1960 deficit in the highway trust fund.

In addition to the sums already earmarked for the highway trust fund, highway users will pay into the general fund this year $1.6 billion derived from direct taxes imposed upon them. In addition, Mr. President, as I have said, they contribute otherwise to the general fund in the same proportion as do taxpayers generally. I see no valid reason why the highway program, which benefits the entire economy, should be made a stepchild with further progress contingent upon the levy of a penalty tax upon the highway user.

SENATE

FRIDAY, SEPTEMBER 4, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 9 o'clock a.m., on the expiration of the recess.

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

Our Father God, since Thou hast planted our feet in a world so full of chance and change that we know not what a day may bring forth, and hast curtained every day with night, and rounded our little lives with sleep; grant that we may use with diligence our appointed span of time, working while it is called today since the night cometh when no man can work.

Grant us, we pray, some part in the coming of the commonwealth where those who toil shall be honored and rewarded, where every man's worth shall be reckoned higher than the price of the things he fashions with hand or brain, where science shall serve, not destruction or private gain, but the advancement of the common good.

Make our bodies Thy temple, and our hearts Thine altar where the sacred flame is ever burning. Amen.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Under the order entered on yesterday, morning business is now in order, under a 3-minute limitation.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORTS ON REAPPORTIONMENT OF APPROPRIATIONS

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1960, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for "Forest protection and utilization, Forest Service," for the fiscal year 1960, had been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

RESOLUTIONS OF THE NATIONAL DAUGHTERS OF THE GRAND ARMY OF THE REPUBLIC, DEPARTMENT OF WISCONSIN

Mr. WILEY. Mr. President, I am always pleased to hear from organizations in my home State which reflect broad-scope opinion, of significance either to its membership, to the State, or to the Nation in general.

Today, I was pleased to receive from Mrs. Rose Meyer, assistant adjutant general of the National Daughters of the Grand Army of the Republic, Department of Wisconsin, two resolutions adopted at the 46th annual encampment earlier this year.

The resolutions relate, first, to the reissuance of stamps for the Civil War Centennial; and, second, to the dedication of a national memorial at Gettysburg for preserving the historic significance, not only of Lincoln's renowned address, but also commemorating the sacrifices of the gallant men who fought and died at Gettysburg.

Reflecting the interest not only of the Wisconsin membership, but of other members of the National Daughters of the Grand Army of the Republic throughout the country, as well as the interest of other organizations—particularly in Resolution 2—I ask unanimous consent to have the letter from the adjutant general, Rose Meyer, and the resolutions printed at this point in the RECORD.

There being no objection, the letter and the resolutions were referred to the Committee on Post Office and Civil Service and ordered to be printed in the RECORD, as follows:

NATIONAL DAUGHTERS OF THE GRAND ARMY OF THE REPUBLIC,
DEPARTMENT OF WISCONSIN,
West Allis, Wis., July 21, 1959.

Hon. ALEXANDER WILEY,
U.S. Senator,
Washington, D.C.

DEAR SIR: I have been instructed to write you regarding the action at the 46th annual encampment of the Department of Wisconsin, National Daughters of the Grand Army of the Republic, held at the Wisconsin Dells, Wis., June 17–19, 1959. Two resolutions were passed on several questions confronting the U.S. Government, which the organization felt were of great importance.

Inasmuch as our organization is composed of daughters and granddaughters, in whose

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veins flows the blood of those gallant boys, who offered their young lives on the altar of their country, and as we are banded together to perpetuate the memory of our heroic fathers, known as the Union Army, serving during the Civil War from 1861 to 1865; and preserve for future generations the history they established through their victorious struggles in creating and maintaining a united country. We wish to go on record as supporting the request of President Eisenhower, for the Government to purchase the grounds surrounding Gettysburg to maintain as a national memorial and thus keep it from being obliterated by billboards, hotdog stands, etc. This ground has been so consecrated by those who sacrificed and gave their lives here and where Lincoln made his famous Gettysburg address, known the world over, let us forever keep it so. We also wish to support a motion that the reissue of the GAR stamp be included along with some 30 other stamps which are to be reissued for the Civil War centennial.

A copy of these resolutions is herewith enclosed and we urge your support of these resolutions to help further action as desired.

Respectfully,

Mrs. R. A. ROSE MEYER,
Assistant Adjutant General.

RESOLUTION 2

Whereas there is to be a reissuance of some 30 stamps for the Civil War Centennial; and

Whereas there has been no mention of the GAR stamp being reissued by the Postmaster General's Department: Therefore be it

Resolved, That the 46th encampment of the Department of Wisconsin, National Daughters of the Grand Army of the Republic, held at the Wisconsin Dells, Wis., go on record as favoring the reissue of the GAR stamp; and be it further

Resolved, That a copy of this resolution be sent to Maj. U. S. Grant 3d, USA (retired), chairman, and U.S. Senators William Proxmire and Alexander Wiley.

Approved by board of directors June 17, 1959.

Endorsed by encampment June 18, 1959.

GERTRUDE PEASE,
JULIA LAVIN,
ROSE MEYER,
Resolution Committee.

RESOLUTION 3

Whereas Gettysburg has been consecrated by those gallant men of 1861–65, who sacrificed and suffered on the battlefield, it was here that Lincoln made his famous Gettysburg Address known the world over, and now as these hallowed grounds have their beauty marred by billboards, hotdog stands, etc., being put up; and

Whereas President Eisenhower has proposed that the United States purchase the surrounding grounds to maintain as a national memorial: Therefore be it

Resolved, That the Department of Wisconsin, National Daughters of the Grand Army of the Republic, go on record as favoring the purchase of these grounds by the U.S. Government; and be it further

Resolved, That a copy of this resolution be sent to U.S. Senators WILLIAM PROXMIRE and ALEXANDER WILEY.

Approved by department of Wisconsin board of directors June 17, 1959.

Endorsed by department encampment June 18, 1959.

GERTRUDE PEASE,
JULIA LAVIN,
ROSE MEYER,
Resolution Committee.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 2646. A bill for the relief of Lloyd C. Kimm; to the Committee on the Judiciary.

FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959—MOTION

Mr. JOHNSTON of South Carolina submitted a motion, intended to be proposed by him, that the Senate agree to the amendment of the House, with amendments, to Senate bill 2162, the Federal Employees Health Benefits Act of 1959, which was ordered to be printed.

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. KEFAUVER:

Address delivered by him before the Tennessee Law Enforcement Officers Association, at Knoxville, Tenn., on August 28, 1959.

By Mr. SPARKMAN:

Address delivered by him on the occasion of the presentation of the Paul Bunyan award to himself and the Senator from Indiana [Mr. CAPEHART], by the Lumbermen's Forest in Israel, in the State of Pennsylvania.

By Mr. KEATING:

Statement by him concerning the situation in Laos.

Statement by him with respect to report of U.S. Commission on Civil Rights.

ANNOUNCEMENT OF PUBLIC HEARINGS TO BE HELD JOINTLY BY CONSTITUTIONAL AMENDMENTS SUBCOMMITTEE AND JUVENILE DELINQUENCY SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY ON SENATE JOINT RESOLUTION 116, SENATE JOINT RESOLUTION 133, AND S. 2562

Mr. KEFAUVER. Mr. President, on behalf of the senior Senator from Missouri [Mr. HENNINGS] and myself, I wish to announce a public hearing to be held jointly by the Constitutional Amendments Subcommittee and the Juvenile Delinquency Subcommittee on Senate Joint Resolution 116, Senate Joint Resolution 133, and S. 2562.

The two joint resolutions propose constitutional amendments and the bill proposes changes to sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code and section 259b of title 39 of the United States Code. Both of the joint resolutions and the bill deal broadly with the subject of the publication and dissemination of obscene material. They were sponsored and cosponsored by many Senators to all of whom I wish to extend my praise for their support in this area.

A joint hearing on these matters was held on August 28, 1959, at which time the Postmaster General of the United States and various religious and lay leaders testified.

The hearing which is presently being announced will begin at 10 a.m., Wednesday, September 9, 1959, in room 457 of the Old Senate Office Building. Mr. Herbert B. Warburton, General Counsel of the Post Office Department, will testify at that time. Other witnesses have also been invited.

ANOTHER ACCOMPLISHMENT OF SENATOR GREEN OF RHODE ISLAND

Mrs. SMITH. Mr. President, that the oldest Member of the Senate, the senior Senator from Rhode Island [Mr. GREEN], is one of the most alert Members, with one of the keenest minds, has long been acknowledged by many of us. A recent accomplishment of his is but another of the many illustrations of this. That achievement has been well summarized by an article in the August 29, 1959, issue of the Army, Navy, Air Force Journal.

I ask unanimous consent to have that article printed in the body of the CONGRESSIONAL RECORD.

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

SENATOR CURES ARMY'S MENTAL LAPSE

In one of the fastest decisions in military history, the Army has cured itself of a mental lapse jointly diagnosed by Senator THEODORE FRANCIS GREEN, Democrat, of Rhode Island, and an eminent psychiatrist in the Senator's home State.

The psychiatrist last month called Senator GREEN'S attention to "USMA Form 5–413." This is the form used by the Army to tell aspiring West Pointers how they made out on their West Point entrance exams.

The form has three separate headings: "Mental," "Physical aptitude" and "Medical." If an applicant fails in the first category, he is "mentally disqualified."

That's what happened to the psychiatrist's nephew—son of a Regular Army lieutenant colonel—and how the doctor learned about "USMA Form 5–413" in the first place. He communicated the information to the Senator. The Senator took corrective action.

He advised the Army July 30 that neither of the other service academies nor leading colleges and universities any longer employ the word "mental" in their admission forms and notices. The word, used in connection with an entrance examination, carries an inference to the average layman of "some innate deficiency of the mind" or a "lack of basic intelligence," Senator GREEN said.

The 91-year-old lawmaker, commander of a provisional infantry company in the Spanish-American War, told the Army he thought the mental category should be erased.

In record time—17 days—the Army notified Senator GREEN that it has adopted a revised format. Next year, the word "academic" will be submitted for "mental" on "USMA Form 5–413."

The psychiatrist, who started the whole thing, remained anonymously in the background because of, as Senator GREEN'S office put it, "his aversion to publicity."

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

FOREIGN RELATIONS: LATE SUMMER 1959

Mr. MANSFIELD. Mr. President——

The VICE PRESIDENT. Under the order entered on yesterday, the Senator from Montana is recognized for 45 minutes.

Mr. MANSFIELD. Mr. President, at this moment it may seem a remote possibility, but at some point the first session of the 86th Congress will come to a close. The first snows of winter will undoubtedly have settled on the mountains of Montana by the time the final gavel falls. It may be that the first snows will even have descended in Washington. Sooner or later, however, we shall finish the work of this session. And sooner or later we shall adjourn.

I have sought the floor today in the expectation—perhaps unwarranted—that adjournment may come sooner, rather than later. I have sought it in order to make certain summary remarks on the international situation and the present state of the Nation's foreign relations.

It is not easy to draw up a balance sheet of this kind. Yet the attempt to do so on other occasions, I believe, has been helpful; and it may prove to be helpful now.

In broad terms, I suppose, one might say that since the Nation is not fighting a war in this late summer 1959, the balance sheet is fine. That sort of observation, comforting though it may be, tells us nothing of the stubborn international realities with which we must live, with which we must continue to contend.

It may be good politics to say that the absence of fighting on our part proves how successful our foreign policy has been. It may make for happy headlines. It may be good politics, but I do not know that it is good government. This superficial observation produces a false sense of security in the Nation. It masks the very likely possibility that we may be at a peace of sorts—not necessarily because of our policies, but in spite of some of them, and that pieces may now be falling into place in the complex pattern of international relations which, when fully assembled, may fuse into the full fury of nuclear war.

The observation that we have peace, moreover, shunts aside the domestic implications of present international policies. It completely ignores the grave burden of taxation, and the inflationary pressures which arise from the enormous cost of the Defense Establishment and oversea activities of various kinds which are involved in maintaining this so-called peace. We do not know, really, with any degree of precision the needs of any of these operations or how efficiently any are run. All we know is that these defense and other operations—as much as the Congress will allow—are pressed upon us on the grounds that they are required to maintain this so-called peace. At the same time, the administration has admonished the Congress to limit the buildup of essential domestic services and activities in education, housing, road construction, social security, slum clearance, law enforcement, resource development, and countless others under a budget which goes overwhelmingly for defense and international programs of one kind or another.

In short, to maintain this peace of sorts, we are eating into—or at any rate, not building adequately—our capital investment in the social structure of the Nation. That may be unavoidable in present circumstances; but when we talk lightly of having peace, let us not lose sight of what we are doing and of the monumental problems which the neglect of domestic needs is building up for the years ahead.

Who can speak, in all honesty, of the existence of peace in this late summer of 1959, when the continent of Europe remains divided by hostile and unreconciled ideologies and other spawns of conflict, when the concept of live and let live which encourages men and nations to rational settlement of their difficulties has still so little depth in that key region, when Western Europe shows evidence of serious fissures in its essential unity?

Who can speak, in all honesty, of peace when a wall of ignorance builds ever higher between this Nation and China, and behind it there develops a new and explosive power nurtured heavily on hatred of the United States? While this situation prevails, to talk glibly about the existence of peace today may be to exact a terrible price out of our children's tomorrow.

Who can speak, in all honesty, of peace, when in the great arc of nations extending from Korea, around the rim of Asia, through the Middle East and Africa, and even into the nearby Caribbean, there are only scattered oases of stability; when, in this vast area, too often there exists a seething violence just beneath the surface of daily life; when whole peoples grow restless in the search for new roots to feed their survival and growth?

Mr. President, by ignoring such realities as these, I suppose one may concoct a bright balance sheet of the world situation, and find in it reason to pride ourselves on the success of our foreign policies and their administration. Unfortunately, it also gives us cause for national self-delusion; and I, for one, cannot certify to any such balance sheet. Equally, I cannot join those who, seeing only such realities as those I have just enumerated, are plunged into a cynical gloom, a deadening hopelessness over the fate of the Nation and mankind.

No, Mr. President; I do not believe that we can conclude, from the present situation, either the certainty of a durable peace and continued progress, or the inevitability of retrogression and tragic war. The international situation in late summer 1959, as it has been for some time, is neither black nor white, but is many shades of gray. It would be best to dispel any illusions that we have peace in our times, and count mankind lucky that we even have peace for this day.

As a nation, we are still in the midst of a gigantic and enormously expensive holding action throughout the world. At some critical points in this action, there are rays of hope that potential conflicts will yield to reason, or, at least, that the vast cost of the holding action can be reduced. At others, we are staging merely a rear-guard action in which the way to a durable peace is not yet even dimly seen.

We shall do well, therefore, to put aside the glib evaluation of the state of the world as being one of peace in this late summer of 1959 and the state of our foreign policy as being one of success. At best, the world, and this Nation as a part of it, has just barely got its head above water . If there is any broad generalization that is applicable, it is that we are in a period of change in which we may go down or up, but one in which—in any event—we cannot remain just where we are. In these circumstances we shall increase our prospects of finding the way up, the way to peace, only as we turn our attention to the specifics, to the principal problems which confront us in the world. We shall find our way only as we try to gage accurately the changing content of these problems, only as we examine and reexamine honestly the present policies by which we are seeking to deal with these problems, and weigh and reweigh the effectiveness of the administration of these policies. In short, in an era of change in international relations we need to understand clearly the possibilities of the change and be prompt to act on them. If we fail to do so, we shall be left high and dry as the tide of change moves on and away from us.

GERMANY

In one critical area, Mr. President, in Germany, the pressure for change is great and it is rising. It is fed by developments within Germany, within Europe, perhaps even within the Soviet Union itself.

We may now be in a position to deal more successfully with these pressures than in the past. By successfully, let me add, I mean we may be able to deal with them in a way that leads toward a more durable peace without prejudice to freedom. Certainly, Mr. President, during the 86th Congress we have sharpened the tools of foreign policy for coping with the complex German situation. Our policies have been recast. Without alteration in basic principle, they have been redesigned more closely in line with the realities of the Germany and Europe of 1959 rather than of 1950 or 1945. In a phrase, we have refurbished these policies and brought them up to date.

True, the division in Berlin, Germany, and, in a larger sense, in Europe has not yet ended. But, at least, the revisions of our policy have helped to deflect, for the present, the headlong plunge toward open conflict in Berlin. At least, there is now some chance that the exchanges of heads and near heads of states may set in motion more tangible action on peace than the generalities which emerged from Geneva in 1955. There is no guarantee that such will be the result, but at least the hope is alive.

There is credit enough for all in this achievement. It is due in no small measure to the final efforts of the late Secretary of State. In his last visit to Europe and in his final press statements, Mr. Dulles set the stage for what has become a fresh, a positive Western approach to the problems of Germany.

This Congress has also made its contribution. For one thing, the Senate took the German question out of the deep freeze. It opened the question to full discussion and let in new thoughts and new ideas where for years there had been only ritualistic repetition of the old, the tired, and the increasingly unreal. Distinguished Members of this body, the outstanding chairman of the Foreign Relations Committee [Mr. FULBRIGHT], the Senator from West Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. DODD], the Senator from Kentucky [Mr. COOPER], the Senator from New York [Mr. JAVITS], the Senator from Alabama [Mr. SPARKMAN], the Senator from Ohio [Mr. LAUSCHE], and other Senators joined in these discussions at various times. And out of this many-sided debate emerged, I am sure, much that was useful for those charged with administering foreign policy.

The work of the President of the Senate [Mr. NIXON], on the occasion of his voyage to Russia and Poland was also of the greatest importance. He made an outstanding effort to bridge the almost unbridgeable gap in understanding between Russia and the United States and to enlarge the measure of civility in the relations between the two Nations.

Mr. Herter's work at Geneva, in difficult circumstances, was skillful and dedicated. In cooperation with other Western nations, he succeeded in reinterpreting Western policies with respect to Germany in the light of today's realities rather than yesterday's expectations. He set forth new proposals whose significance is not likely to be lost on the rest of the world, even though they may have fallen on deaf ears as regards the Soviet Foreign Minister at Geneva. One may hope, even, that their significance will not be lost on Mr. Khrushchev. Only last February he indicated that very similar proposals which I had listed in a speech in the Senate could form the basis for reasonable negotiation. I would hope that the President would call this particular matter to his attention when he meets with the Premier of the Soviet Union later this month.

BERLIN

As for Berlin, Mr. President, that city was and still is the crux of danger in Germany. I say that notwithstanding the fact that the crisis date which was originally concocted by the Soviet Union has come and long since gone without serious incident. I say that because Berlin in its location, in its continued division and uncertain status, still contains live seeds of conflict. I say that because a divided alien occupation of that city—Soviet and Western alike—is an anachronism almost a decade and a half after the end of war. I say that because the close proximity of antagonistic forces in the legal no man's land of Berlin constitutes a serious source of accidental or spontaneous military combustion.

Whatever it may appear to be from the Soviet point of view, from the Western point of view, I believe it is time for a change in Berlin. But let me stress, Mr. President, that when I suggest that it is time for a change I do not mean a change in West Berlin alone, as the Communists would have it. It is time for a change in all Berlin.

Because I believe that in any give-and-take negotiation, both parts of Berlin must be involved, I find it disconcerting to discover that Western diplomacy has permitted the discussion of the Berlin issue to center more and more on the status of West Berlin alone. I do not see that this issue—this issue of a dangerously divided Berlin—is an issue of Western troop levels in the city. Nor is it one of the type of arms which Western troops may bear in that city. It is not one of whether the Russians will or will not guarantee our rights there for 1 year, 5 years, or forever. Yet, these matters were the center of discussion regarding Berlin at Geneva. It seems to me that if we mean it when we say we shall stand fast in West Berlin, these are not matters for discussion.

To permit talks with the Soviet Union to center on them seems to me to reveal a temptation to buy the continuance of our presence in Berlin at the price of unilateral concessions. I do not believe that will work, for the price once paid is likely to go higher and higher. And even if it did work, what would we have bought? We would have bought nothing more than an indefinite and expensive prolongation of the present unsatisfactory, costly, and unstable occupation. We would not have advanced one step toward a more rational, a more durable peace. Until when would this occupation continue, Mr. President? Until 1970, 1980, or until the year 2000?

If the issue is not negotiable by a change in the status of West Berlin alone. is it negotiable by a change in the status of all Berlin—of West Berlin and East Berlin? It will not be negotiable in these terms if those who use the words of peace are not prepared to act for peace. We shall not know whether that is the case, however, unless we are clear in our own minds that we seek, as a positive act for peace, a new status for all Berlin. If we are clear on that point, then I believe we may, with profit to all, assume the advocacy of internationalization of the entire city, on an interim basis, until it is once again the capital of a unified Germany.

Again, let me stress, it is one thing to internationalize only West Berlin under the auspices of the United Nations as the Russians have proposed. It would be an entirely different matter to internationalize the entire city of Berlin—East and West—under those auspices, as an interim arrangement. In that, there might well be a valid quid pro quo.

In recent days there have been reports that the Russians are prepared to accept West Germans as replacements for the non-German garrisons now in West Berlin. I have no way of telling whether these reports are accurate. If there is any truth in them, I do not see that the idea should be rejected out of hand. On the contrary, the idea may well be advanced for exploration by the Western nations themselves, even if the Russians have not done so. If West Germans can replace other Western forces in Berlin and if Soviet troops are withdrawn from the city, at least the rudiments of an all-German administration of Berlin will exist. If this administration operated, on an interim basis, under ultimate U.N. or other international control, with guaranteed rights of free access to all from all directions, a new and more durable situation might exist in Berlin than that which now prevails.

I should be less than frank, Mr. President, if I did not state my view that we have not yet sufficiently explored the potential role of the United Nations and West Germans in the Berlin situation. I think there is time to remedy that shortcoming. Indeed, it might well be done in conjunction with the coming exchanges between Mr. Eisenhower and Mr. Khrushchev.

WESTERN EUROPE

Turning to another major aspect of the international situation, I should like to consider briefly the state of relations among the Western European nations and among the NATO members. There have always been differences among these nations; that is not in itself the problem. The problem is that in recent years short-range differences have threatened increasingly to overbalance the long-range cohesive forces which hold the Western nations together.

That is the danger, Mr. President. It is a danger, ironically, which does not come primarily from the Russians, although they have long sought the disruption of the alliance. Rather it comes primarily from developments within the Western alliance itself. And, ironically, the danger comes in part from the very success of the alliance.

The sense of restored security—the prosperity and progress of recent years—has permitted national clashes of interest within the very institutions which did so much to bring about the improvement in the Western nations. This is evident in the decline of respect for the military command of NATO and it is evident in the clash of economic purpose as between the inner six of the European Common Market and the outer ring of European nations which is forming in self-defense or for the purposes of economic countermeasures. It is evident, too, in the tendency of a legitimate national pride sometimes to give way to a questionable national conceit which sees itself as the sole source of wisdom and leadership for the West.

If present tendencies in the Western alliance persist, I am afraid it will not be long before the handwriting will be very evident on the wall. Increasingly, individual states or inner groups of states, in pursuit of their own immediate national advantage and oblivious or indifferent to the needs of others, will spur

the rest to the same course. The short-range interests of each shall take precedence over the long-range needs of all, and to the degree that they do so the house of Western unity, built with great care and at great expense, will be threatened. To be sure, the institutions are likely to remain, but they will be, increasingly, stripped of substance.

I do not know whether present trends can be reversed. I do not know how much influence the United States can exert to that end. The fact is that major changes have taken place within Western Europe in recent years. The effect, perhaps the inevitable effect, of these changes has been to reduce the influence of the United States and to heighten that of the Europeans themselves in European affairs.

It will serve no useful purpose to wring our hands over this situation, to look for scapegoats, or to continue to bury the problem in words of unity and immodest presumptions of American leadership as usual. Rather, it will be better to learn to live with the changes in Europe which we did so much to bring about with the Marshall plan and our actual postwar leadership. What is important now is to try to preserve what needs to be preserved, to try to preserve the essentials of Western unity.

It is helpful, I believe, that the President has gone to Europe. He is, in his person, an ambassador of hope. He is one of the great symbols of Western cooperation. I do not think, however, that symbols are enough. Not even well-spoken words of unity are enough. We have had those at every conference of the Western nations but the differences have continued to accumulate.

I believe the time has come to put aside the generalizations on unity and to look squarely at, and talk frankly to, the points of disunity in the Western alliance. I think the time has come for a blunt conference which puts the cards on the table with respect to the condition of NATO. We need to delineate the extent of the erosion. We need to determine what revisions are necessary to revitalize this organization and other institutions of Western unity in the light of the changing European situation. In short, we need to face what it is that is bothering the members of the Western alliance if we are to do anything constructive about the difficulties.

I think the time has come, especially, for a frank conference on the economic rivalries which are beginning to plague the European nations and which, sooner or later, will make their effect felt on this country.

It may be, finally, that the time has come for us to move out of the full glare of the spotlight of NATO activity and to welcome from the Europeans—British, French, Italians, Germans and others—the assumption of a greater measure of leadership in its undertakings, a greater measure of responsibility and contribution commensurate with their growing strength and the evolving situation in Europe. I trust that this observation will not be interpreted as an advocacy of American withdrawal from Europe. It is not intended as such. Rather, it is intended as a frank recognition that circumstances have changed in Europe and, in consequence, a change in the position of the United States in Western European affairs may also be warranted and desirable.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. MANSFIELD. I will yield briefly, because I have only 45 minutes.

Mr. LONG of Louisiana. I am curious to know the Senator's views as to how Mr. Khrushchev's visit fits into that picture which he is describing. Does the Senator believe that will have any substantial effect on our situation in Europe?

Mr. MANSFIELD. As the Senator knows better than I, one of the main tenets of the Communist faith is that the Western alliance, NATO, must be broken up and disrupted. So far as Mr. Khrushchev's visit is concerned, I do not know what he can do to break that alliance, because I think, if anything, it will be strengthened.

I should like to point out that while I was opposed to the visit of Mr. Khrushchev some months ago, because I felt that no good could be accomplished. Now that the President, as Chief of State of this Government, has made his decision, I think the only thing we can do is to support him to the best of our ability, regardless of our personal feelings.

I am sure it was a difficult decision for the President to make. Mr. Khrushchev will not be here to pass on the social amenities. But the President, in his wisdom, decided this visit would be in accord with the objective of our foreign policy. On that basis, and in line with the President's decision, I think, while I am skeptical and do not expect much, if anything, to be accomplished, we ought to support the President to the best of our ability.

Mr. LONG of Louisiana. The Khrushchev visit has been described by some persons as a diplomatic victory for the Soviets. I wonder if the Senator is in agreement with that point of view.

Mr. MANSFIELD. I would say that is a fair statement. I think it represents a diplomatic victory for Khrushchev.

Insofar as the people of many countries in the world are concerned, especially those in the captive areas, I think Mr. Khrushchev has come out on top because of the invitation extended to him by our President, although we must recognize that in return he has extended an invitation to the President, who will visit the Soviet Union later in the fall.

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

Mr. MANSFIELD. I yield briefly.

Mr. KUCHEL. First, I congratulate the Senator. He speaks like an American.

Mr. President, shortly the President of the United States will return from Europe. He has given of his bone and his marrow with an unbounded selflessness to demonstrate to the world his devotion to the cause of a just peace. What a magnificent thing the President of this country has done. The response by the people of the free nations of Europe gives us cause to be grateful for the strength among the peoples who are free, and the determination which they share to keep their freedom.

The people of this country recognize that the President, in his wisdom, has entered into an agreement for reciprocal visits with the leader of Soviet Russia. If from those talks the cause of a just peace can be advanced, then the President of the United States will have made one more contribution not only to our generation, but also to generations yet unborn.

Mr. MANSFIELD. I thank the Senator. I agree with the Senator wholeheartedly in what he has had to say.

THE AMERICAS

Turning next to Latin America, Mr. President, it seems to me that the situation, particularly in the Caribbean, is a most uncertain one. It is going to require patience and great effort by all of the American States if a series of little wars spawned by dictatorship and revolution is not to plague that region for months or, perhaps, even years to come.

When a revolutionary fervor, nurtured on years of oppression and brutality achieves its ends, perhaps counter-excesses are inevitable. Tyranny is grim business, and it is not surprising that it produces revolutions which are also grim in their consequences.

Mr. LONG of Louisiana. Mr. President, before the Senator gets into a discussion on Latin America, I wonder if he would mind answering a question about France. The Senator has mentioned France only indirectly. What is his view of the Algerian question, if he cares to express it?

Mr. MANSFIELD. That is a matter which the French and the Algerian peoples themselves will have to decide. However, I did read in this morning's papers a statement to the effect that there seemingly is accord between President Eisenhower and President de Gaulle relative to a mutually compatible situation on which we both can agree at the forthcoming United Nations meeting in mid-September.

I do not know what that agreement is based on, but several years ago I advanced respectfully, because after all this is a French-Algerian matter and not an American matter except indirectly, the idea that perhaps if consideration were given by France vis-a-vis its relations toward Algeria in the same manner that our country has undertaken vis-a-vis Puerto Rico the idea of a commonwealth based on the Puerto Rican experiment, possibly that would be the answer to the predicament in which France finds itself at the present time.

After all, the Puerto Ricans are citizens of Puerto Rico and the United States. They are given certain privileges because of their commonwealth status, and they hav- the right at any time, as President Eisenhower stated before the United Nations in 1953, I believe, to achieve their own independence by a majority vote of the people.

So I should say that this might be something which France might consider.

Based on the success of our own experiment, it might work just as successfully for the French.

Mr. President, there comes a moment for an end to excesses. There comes a time to settle down to construction of the new after destruction of the old, a time to put aside the fury, if the high ideals which drive men to understandable revolt are not to be lost in a continuing flow of blood and hatred.

I hope that moment will not be lost in the situation in the Caribbean. If it is not lost, there is reason to believe that we are at the beginnings of a beginning of a new and promising era in inter-American relations.

This new stirring, I believe, found official expression in the recent declaraof Santiago. Unless I misinterpret that document, it points to a further evolution in inter-American relations. The Americas, I believe, may be on the verge of bringing into the good neighbor concept—into the doctrine of nonintervention—another concept, that of the conscience of the Americas. If this interpretation is correct, it means that as the Hemisphere deplores intervention in the affairs of one nation by another, it deplores equally the brutal denial, by dictatorship, of basic human decency anywhere in the hemisphere.

Good neighbors normally stay out of each other's family affairs and those who meddle or intervene are rightfully condemned. But sometimes the affairs in one house reach such a point of tyranny that good neighbors can no longer be indifferent to the agony of injustice and brutality which emanates from it. No single American nation can decide when that point has been reached. Not even two or three. But, it seems to me that when two-thirds or three-quarters of the American Republics reach such a conclusion, then the good conscience of the entire community is involved and the community has a responsibility to do something about it. In time, Mr. President, we shall find ways, common ways, inter-American ways, to make the distaste and indignation of the Americas felt by those who outrage the conscience of the Americas. Perhaps, then we shall see an end to the cycle of dictatorship, revolution, dictatorship which, for too long, has been the curse of many parts of this hemisphere.

For our part, Mr. President, I believe our policies are evolving to adjust to the changing concept which I have just outlined, as well as to other new needs of inter-American relations. The change comes in good time because, for years, we have been consuming the goodwill which the good neighbor policy of another generation created. The intentions of the people of the United States, as expressed in the Congress these past few years, have been good. Where we have failed is in the administration of policy. In that connection, we have shown a singular lack of awareness of the changes in attitudes, hopes, needs, and values in Latin America. In consequence, we failed to develop the new ideas, the alert leadership and the inspired official representation in Latin America which would permit us to act in accord with these changes. Now that defect is, I hope, in the process of being remedied.

Much has been done about alerting us to the situation in Latin America. The initiative has come largely from the Congress. I have in mind particularly the work of the subcommittee under the chairmanship of the Senator from Oregon [Mr. MORSE], and the bold and constructive ideas of the Senator from Florida [Mr. SMATHERS] who has shown such a consistent and intelligent interest in that area. I believe, too, that the increasing currency which has been given in this country to the views of the distinguished Governor of Puerto Rico, Mr. Muñoz-Marin, and to the Puerto Rican experience generally has been most helpful.

Mr. President, I should like to add one further observation to these remarks on the Americas. When we talk of the Americas, scarcely, if ever, is Canada included in our thoughts. There are, of course, noteworthy exceptions, as during the course of the debate during the past week and this week on the matter of the proposed Chicago diversion of the waters of Lake Michigan, when the present occupant of the chair, the junior Senator from Wisconsin [Mr. PROXMIRE], and his colleague, the senior Senator from Wisconsin [Mr. WILEY], the Senators from Michigan [Mr. HART and Mr. MCNAMARA], the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT], and the Senators from New York [Mr. JAVITS and Mr. KEATING], and others all became suddenly interested in our foreign relations with Canada. I believe it was a good thing for both our countries, because too long have we been taking our northern neighbor for granted.

I should say also that one of the outstanding individuals, about whom I will have more to say later, who participated in this particular debate, was that outstanding friend of Canada, the senior Senator from Vermont [Mr. AIKEN].

It is seldom, if ever, that Canada is included in our thoughts in this connection. That is not merely oversight. It is a habit of mind with decades of usage behind it.

Mr. AIKEN. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. Mr. President, I am glad that the Senator from Montana has pointed out in his usual able manner that the debate of last week over the Chicago diversion bill performed an extremely useful purpose. The present occupant of the Chair, the Senator from Wisconsin [Mr. PROXMIRE], took a very prominent part in that debate and did yeoman service. If it did nothing else, that debate pointed out the intricate manner in which our fortunes are interlaced with those of Canada. It pointed out the necessity, the urgency, of working out our mutual problems together, which I believe can be done. I believe that the matter which we were discussing last week and this, the matter of Chicago diversion, can be worked out with Canada. I do not know why not.

We have a tribunal set up in the International Joint Commission to handle matters of that kind. I hope that it will be seen fit to take that issue up through the International Joint Commission.

Canada has tremendous water resources. We have tremendous need for water on this side of the line. I am sure that our Canadian friends, as well as our folks in the United States, are very anxious to work these problems out amicably, and in such a manner that the greatest benefit may be received by both countries.

In bringing the matter up this morning the Senator from Montana, whose own State is heavily involved in Canadian matters and with Canadian resources, has again focused attention on the need for close cooperation with the Canadians.

I was also glad to note that the Senator from Montana pointed out the necessity for closer and more understanding relations with the Latin American States. I am free to admit that we have neglected our friendship south of the border. They think we have taken them for granted. They have a great deal of substance to back up that supposition of theirs. Actually we do not take them for granted, but when one is considered a member of the family, sometimes one does not bother to say the things or do the nice things or have the understanding one would have with somebody who perhaps looks more glamorous at a far distance. Certainly there is no part of the world so important to us, aside from Canada, as the Caribbean area and the other Latin American States.

Mr. MANSFIELD. Mr. President, no one can speak with greater authority on Caribbean affairs or Canadian affairs than the distinguished senior Senator from Vermont. He has anticipated my thinking, because in addition to discussing matters relative to our immediate concern with Canada, I am going to mention in the course of the speech an idea which the Senator from Vermont has discussed with me many times relative to Canada's position in Latin America. What I say at that time will be largely because of the inspiration and the advice furnished by the senior Senator from Vermont.

I was talking, Mr. President, about whether or not our relations vis-a-vis Canada are a habit of mind or whether it is based on sheer inertia. Personally, I believe that it is the latter. Congress has taken a significant initiative in recent years, in remedying this situation. I am thinking now of the work of the Canadian-United States Interparliamentary Group. On the Senate side, this work is being carried out under the chairmanship of the able, constructive, and conscientious Senator from Vermont [Mr. AIKEN], and his contribution has been an outstanding one.

Mr. President, I recognize that Canada has farflung commitments, in the Commonwealth, in the United Nations and in other associations. I wonder, however, whether the time has not come for the American Republics to recognize that Canada is also of the Americas and may have much to offer and to gain by closer association with the other nations of this hemisphere. What I am suggesting, Mr. President, is that it may be desirable to undertake, in the Canadian-United

States parliamentary meetings and in other appropriate ways, a preliminary exploration to determine whether or not Canadian membership in, or association with the Organization of the American States may not be of benefit to all concerned.

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

Mr. MANSFIELD. I am delighted to yield. Incidentally, what I have just stated is the result of the talks I have had with the Senator from Vermont; and if there is any credit due, he is entitled to it.

Mr. AIKEN. I thank the Senator.

When the parliamentary groups were meeting in Ottawa and Montreal, the Senator from Oregon [Mr. MORSE] made this suggestion to the Canadians. The Canadians have, we might say, a conflict of interest. They belong to the Commonwealth group. They are naturally tied closely to Great Britain and other members of the Commonwealth group. Nevertheless, the question was brought up by the Senator from Oregon. I am sure that the Canadians realize that economically there is a close relation not only with the United States, but with the Latin American States as well. The fact is that Canada, Mexico, and the United States are all in competition in the production of certain mineral commodities as well as agricultural commodities.

The suggestion of the Senator from Montana is very timely, because, while we are in competition with the neighboring States, we should also be in cooperation with them in carrying out mutual programs. At one time or another I have suggested that some day we might have to treat our collective production as a mutual supply or stockpile. That would not be easy to do, because of the many complications. We have them. Canada, Mexico, and the other Latin American States have them, too. However, it is something which must be considered.

I am sure that our neighbors to the north—and probably those to the south—are considering this very subject. By pointing out the necessity for a closer association the Senator from Montana has again performed a service, because it is only by continuous attention to these problems that we shall eventually find the solution.

Mr. MANSFIELD. The Senator is correct; and it is wise of him to emphasize the economic interdependence, not only between this country and Canada, but between this country and the countries of Latin America. It is a factor which we all too often overlook.

OTHER AREAS

Our attention of late, Mr. President, has been fixed on Germany, Europe, and Latin America, but we find that very little is ever said about the emergence of new nations on the African Continent. The scope of our relations being worldwide, we may anticipate that from time to time other nations, other areas will move into the forefront of our awareness.

Rarely in the spotlight, yet never far from it is the emerging continent of new nations in Africa. Since 1951, six independent countries have appeared in regions which were formerly colonies. I believe that we have a good chance to get off on the right foot with these new nations. Certainly, the Department of State in response to the initiative of Congress, has reorganized in a fashion which creates a better opportunity to bring about that result. Heretofore, African affairs were buried in separate niches in the various European desks. Now, however, on the basis of legislation pressed by the distinguished chairman emeritus of the Foreign Relations Committee [Mr. GREEN] there is an Assistant Secretary of State for African Affairs. This means among other things, Mr. President, that official information and evaluations with respect to the African nations no longer are passed through the viewpoint of other countries and areas before they flow into total U.S. policy. In short, Mr. President, the independent nations of Africa now stand on an equal footing with those of Europe, Asia, and elsewhere, as far as the machinery of our foreign policy is concerned.

Elsewhere in the world, Mr. President, with rare exceptions, we are just muddling along in the patterns of past policy, at great expense to the public and with few tangible evidences of achievements leading to a greater stability and progress in those areas and, hence, to more beneficial relations with them in the future.

In the Middle East, for example, we find the same tendencies, as in the past, to transfer high official hopes, almost in desperation, from ruler to ruler, from nation to nation, as the sands of international political intrigue in that region shift first in one direction and then in another. The Eisenhower doctrine, as many of us anticipated at the time it was enunciated, lies almost buried in these sands. The Baghdad Pact acquires a new name but even less content.

And still, the real problems of the Middle East remain: The refugees; the denial of the use of Suez on an equal basis to all; the monstrous poverty and ignorance of the many in the midst of the vast wealth and culture of the few; the border questions and the smoldering hatred and suspicion between Israeli and Arab. None of these—the real problems of the Middle East—appear to be any closer to solution than they were a decade ago. Nevertheless the outpouring of public funds for the region goes on in the bland assumption that we are doing something about these problems. How much longer, Mr. President?

Sooner or later, in the administration of policies with respect to the Middle East we are going to have to make up our minds. Sooner or later we are going to have to face the fact that, for this Nation as a whole, there are some things more important that Middle Eastern oil, military bases or the soothing of the ultranationalistic tantrums of one nation or another.

Sooner or later, we are going to have to decide who in the Middle East works sincerely and with forbearance to end the state of fear and incipient war which prevails in that region and who intrigues to perpetuate it. We are going to have to decide which governments render a decent measure of justice to their peoples and act for their peaceful progress and which governments exploit their passions for selfish or destructive ends.

When we have made these decisions then, perhaps, we may be able to devise policies for which we need not apologize, policies which will have some strength to stand in the midst of political intrigue and against the inroads of communism into the region—policies which will begin to bring to an end the largely indiscriminate use of public funds for what are often self-defeating purposes.

Farther to the East, Mr. President, moving towards the Pacific, there is little in the situation in which to find comfort. We go on, as we have been doing for years, spending, with little question, vast sums of public funds, at best to hold a line against communism. Yet despite this outpouring, the line shows signs of breaking down in a Laos just a few months after we have been told that foreign aid had built the line solid in that country. And when a situation of that kind arises, when it catches us unaware, what is the answer, Mr. President? More of the same; more aid in the same pattern as in the past.

As for stability and progress in any of these nations, except in Japan and in India and one or two isolated spots, there is little evidence of it. The lot of vast populations remains just about as miserable as ever; the enticement of authoritarianism are as intense as ever. I repeat that so far as U.S. policies in Asia are concerned, they constitute, largely, an enormously costly holding action from Korea to Pakistan and a holding action of very dubious reliability. Moreover, they constitute a holding action which is developing disturbing overtones. I refer to what is, apparently, a trend toward military or quasimilitary authoritarian dictatorships in southern and southeast Asia. Those who administer our policies seem inclined to look the other way, to find the rationalizations which put off the facing of the realities inherent in this trend. To be sure, one can find good in the development. Military dictatorships produce more stability and order, at first. They are easier to deal with, at first. They even promise a measure of progress away from the corruption, the inertia, the inadequacy that characterized many of the predecessor governments, at first.

But no person bred in this Nation—alive to its premise that man is fit to govern himself—no person bred in that tradition can look with equanimity, much less with eagerness, on the appearance of military or quasimilitary regimes in so many lands with which we are intimately associated. I must ask, Mr. President, is this the only answer which freedom can pose to communism?

I can only express the hope that those who are responsible for the administration of our policies and particularly our aid programs, know what they are doing. I can only express the hope that this military-authoritarian trend in non-

Communist Asia is a temporary phenomenon, that it is a step toward responsible and popularly responsive government of those lands.

There are things worse than instability in this world; and one of them is the iron hand of tyranny—Communist or any other. I cannot look with pride on any action of this Government, advertent or inadvertent, that acts to close that hand on any people—no, not even in the mistaken zeal that this will somehow save them and us from communism.

ADMINISTRATION OF POLICY

In my remarks so far I have been discussing matters over which, for the most part, we do not—as a nation—exercise unilateral control. What happens in the Far East, the Middle East, in Europe, the Americas or elsewhere is not within our capacity alone to determine. Nor is the responsibility for developments there uniquely that of this administration or any other. In most parts of the world our influence ranges from important to peripheral but, in a practical sense, it is not absolute anywhere; and the sooner we disabuse ourselves of any idea that it is, the sooner we shall use with greater deftness, with less waste of public resources, such influence as we do possess.

There is an aspect of foreign relations, however, which is wholly within the province of the United States, wherein responsibility rests solely with this Nation. I refer to the manner in which we make up our minds in foreign policy and, after we have made it up, what we do and the way to do it. In short, I refer to the formulation and administration of policy.

Other nations do not tell this Nation what to decide, as regards its foreign relations. To be sure the attitudes of others, the circumstances abroad, our relationships with others influence our decisions. Indeed they should, for we are not a nation in a pressurized nose cone somewhere off in space. But awareness of the rest of the world, notwithstanding, in the last analysis, we decide for ourselves. We act for ourselves. We make right decisions or wrong decisions. We act intelligently or foolishly as a result.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? There being no objection, the Senator may proceed.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. Yes.

Mr. LONG of Louisiana. The Federal Government has had long experience in providing aid to the States, which, after all, do possess some element of sovereignty. Primarily this aid has been designed to help the States in activities in which the Federal Government does not function directly. It seems to me that the Federal Government can benefit by those lessons in determining how to provide aid to nations around the globe. In supplying aid to the States, the Federal Government sets certain standards as a condition for receiving such aid. If those conditions are not fulfilled, the aid is withdrawn until the States comply with the requirements.

It seems to me that the same pattern should be followed in supplying aid to foreign lands. We have observed in many instances that foreign governments indulge in all sorts of waste and graft and in a misuse of the resources which they receive from us in the form of aid.

I wonder if the Senator from Montana believes we should have some way of insuring our knowledge of what is happening to the aid we furnish. Does he agree with me that we should insist, sooner or later—and the sooner the better, so far as I am concerned—that the aid we provide should be used effectively for the purpose for which it was intended; and that otherwise it should be terminated, regardless of the country which is affected?

Mr. MANSFIELD. The Senator from Louisiana is correct. If he will bear with me, I am coming to that point in my talk. I think that what I shall say will fit in with the questions he has raised.

Mr. President, we bear the responsibility for these national decisions and actions. In short, the buckpassing stops or should stop at the water's edge. We—not others—determine for what purpose we have a State Department, an aid administration, a Central Intelligence Agency, an Information Service, and a host of other agencies which carry on activities abroad on the basis of appropriations from public funds and on behalf of the entire Nation. We alone decide how they shall function.

When I use the term "we," Mr. President, I mean, of course, the people of the United States. In matters of foreign relations, however, the responsibility for interpreting what we want and how we are to pursue it rests, in a theoretical sense, with the elected President, acting in some instances with the advice and consent of the elected Senate and in others with the concurrence of the elected Congress.

That is the constitutional theory, Mr. President, but what is the fact? The fact is that the power to interpret the will of the Nation in respect to our vast and complicated relations with the rest of the world has been diffused through the enormous labyrinth of the executive branch of the Government. The power to decide, in short, has been scattered and diluted to the point where it has become virtually impossible to fix responsibility. It has been scattered and diluted to the point where it has become virtually impossible to use the public power effectively to bring about adjustments in policy and its administration at somewhere near the time that these adjustments are needed.

In these circumstances, national interests frequently become so interwoven with bureaucratic interests and conflicts that we are less and less able to adjust the total needs of the Nation to the changing circumstances of the world. More and more we have a policy determined by executive agency accommodation and less and less by the leadership and decision of the responsible political officials of the administration and the Congress. I believe the able Senator from Minnesota [Mr. HUMPHREY] illustrated this point most forcefully a short time ago on the floor with regard to policy formulation on the testing of nuclear weapons. He showed how agency conflicts were producing a situation that undercut our negotiators in Geneva. His statement apparently was heard at the White House for the President made a decision on this question shortly thereafter. But, Mr. President, this is the kind of decision which should be forthcoming promptly within the administration on the basis of need. It ought not to require prodding from the Senate.

I realize that this problem has been with the Nation for a long time. It is not amenable to easy solution. Nevertheless, Mr. President, we must deal with it, if responsible government in the field of foreign policy is not to degenerate into a catch phrase. We must stay with this problem—the President and the Congress—until it yields to rational solution.

The able Senator from Washington [Mr. JACKSON] has recognized the deplorable creakiness of the decision making machinery of the Nation in critical matters of foreign relations and defense. He has supplied the initiative and set in motion a special Senate investigation of the problem which has been promised the cooperation of the administration. That cooperation is essential because responsibility for this problem rests primarily and preponderantly with the administration.

I should like to suggest, Mr. President, that we may find the way to a reasonable solution to this problem in a diligent assertion of the primary authority of the Presidency in matters directly or indirectly related to foreign policy and a reassertion, under the President, of the responsibility of the Secretary and the Department of State for the conduct of foreign relations.

If the Department of State is not organized to handle these matters in their totality, then let us reorganize it. If it is not equipped, then let us equip it. If its personnel is not properly trained, then let us seek to provide the training. If it has not sufficient resources, financial or otherwise, then let us make these resources available to it.

But let us not, in an effort to compensate for the real or imagined shortcomings of the Department of State so scatter responsibilities in foreign relations through the military departments, the agricultural department, the ICA, the CIA, the Commerce Department or whatever, that the costs of administering foreign policy rise enormously and, in ratio, the constructive results decline drastically. We have already carried this process so far that in our official representation abroad, the employees of the Department of State, numerous as they may be, are in many instances far outnumbered by the representatives of other United States agencies. And although the Department of State bears ultimate

responsibility for relations abroad, it exercises only the most nominal influence over the use of the resources and the actions of the personnel of these other agencies.

I believe this session of the 86th Congress has made a highly significant advance which can act to bring about a major improvement in the administration of foreign relations. I refer to the authorizing legislation which the Congress has passed in the field of foreign aid. If it is reasonably interpreted by the administration, this legislation, as extensively amended by Congress, can act to fix authority and responsibilty for this significant undertaking much more decisively, than is now the case. One amendment provides for an Inspector General in the Department of State to probe the weaknesses in every aspect of the aid program. A second provides for the ending of the nonsecurity related secrecy which has surrounded this program. Still another separates military aid from other forms of aid but provides for close control over the entire program by the Secretary of State.

Finally, a fourth amendment—I call the attention of the Senator from Louisiana to the fourth amendment—requires the executive branch to submit plans for the gradual termination of massive grants, as the program moves more and more to a loan basis. These amendments, Mr. President, can do much to end aid by force of habit and to give to the program more purpose and direction within the context of our total policy. They can reduce the waste and any tendencies toward corrupt practices.

The congressional action on foreign aid is only a first step in bringing about a more integrated, streamlined and responsible administration of the Nation's international affairs. Much remains to be done in regard to other agencies which have injected themselves or have been injected into these matters without adequate coordination under the Secretary of State and without adequate control by the elected officials of this Government.

CONCLUDING COMMENTS

Mr. President, I have talked at great length today. But there is much that needs saying on this subject of the Nation's foreign relations and their administration, much more than I have said. I wanted these thoughts, however, to be on the record at this time. For, in the near future, discussions of the highest importance to the Nation will be taking place between the President and Mr. Khrushchev and others. It is possible to question the wisdom of these meetings at this point in time and circumstance, as has been done. But the decision to hold them has been made by the President and, at a recent press conference, he put the significance of these meetings in proper perspective when in response to questions as to their propriety he stated:

> We are talking about the human race and what's going to happen to it. * * * Any President that refused finally to use the last atom of prestige or the last atom of his energy—in this quest for peace—ought to be condemned by the American people.

Yet these impending discussions—however well-intentioned—are but a part of the search for a better road for this Nation and mankind. The work of securing the well-being and the peace of the people of the United States will not end with the impending exchanges. We shall be better prepared to do what still needs to be done if we understand more clearly the worldwide dimensions of the undertaking which confronts us, if we ready our spirits and determination for the tasks which the impending conferences may make possible.

Mr. SYMINGTON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time available to the Senator from Montana has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Montana may proceed for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana may proceed for an additional 5 minutes.

Mr. SYMINGTON. Mr. President, will the able assistant majority leader yield to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. SYMINGTON. Mr. President, it is always a pleasure to be on this floor and hear the junior Senator from Montana [Mr. MANSFIELD] discuss matters with respect to our foreign policy. No one works harder than he does on this subject, as well as on others. No one has greater authority in this field. It has been a privilege to listen to his remarks this morning, and I should like to commend him for his able and thought-provoking presentation.

I wish to ask a question of the able assistant majority leader. He mentioned India. How does he size up the situation there, particularly with respect to the Chinese probings on the Indian border? What does the Senator from Montana think of the conditions there, and what does he think we should do about that matter?

Mr. MANSFIELD. There is not much, if anything, that our country can or should do about what is happening in India. India is an independent and sovereign nation with a great past and, I believe, a glorious future. The only people who can decide what India should do are the Indian people themselves. Of course, their spokesman is Mr. Nehru.

However, I venture the assertion that, due to the recent events in Tibet and in the Indian protectorates of Bhutan and Sikkim, on the northeast frontier, bordering on Assam, and in the region of Ladakh, a part of Kashmir, Mr. Nehru is having second thoughts on his policy of calculated neutrality.

I hope Mr. Nehru will consider the possibility of bringing these matters—which seem to be acts of direct aggression on the part of the Communists, in all those scattered areas belonging to, or bordering on, or under the protection of India—to the United Nations, for consideration.

In view of the fact that Ladakh, in Kashmir, seems to be one of the focal points of the aggression, I express the hope that the Indians and the Pakistanis will try to do away with their differences over Kashmir, and will endeavor to settle this difficulty in their mutual interest, and will get together on a common basis, because of the dangers which both of them face from a common aggressor.

Mr. SYMINGTON. I thank the Senator from Montana for his wise remarks.

Mr. MORSE. Mr. President——

Mr. SYMINGTON. Mr. President, if my able colleague, the Senator from Oregon, will permit me to ask a further question of the able assistant majority leader, I shall appreciate it.

What does the Senator from Montana think at this time about our relations with Japan?

Mr. MANSFIELD. I would say that at present the relations between the two countries are excellent. It is my understanding that at present there is in process at least the formulation or the possibility of the formulation of a new peace treaty, to revise the treaty of peace with Japan which was negotiated in 1952 by the late Secretary of State, John Foster Dulles, and which replaced the earlier MacArthur arrangements of 1945. I understand that the treaty of 1952 or related security agreements are now the subject of negotiations between our Government and the Government of Japan. I believe it is high time for that to be done.

I should like to see the relations between the two countries become increasingly better. I also would like to see the day come—although it will not come in the immediate future—when, for example, we can withdraw from the Bonins, Okinawa, and other islands which we hold at the present time, in line with our mutual security program with Japan, and that at the same time the Soviet Union will withdraw from the islands it occupies north of Hokkaido, as well as from the Kuril chain, which the Soviet Union took over in 1945.

In my opinion, Japan is the real bulwark of democracy in the Far East. Japan has, every day, the enormously difficult problem of feeding her large population. I hope——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The additional time yielded to the Senator from Montana has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Montana be allowed 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana may proceed for 2 more minutes.

Mr. MANSFIELD. I hope the rest of the world will recognize the worthiness of Japan, and will do what it can to alleviate the distressing economic situation which exists in Japan, and thereby relieve Japan of the possibility of being forced over into the Soviet orbit.

Mr. SYMINGTON. Mr. President, I thank the Senator from Montana. Again I congratulate him on his remarks of this morning.

Mr. MANSFIELD. I thank the Senator from Missouri.

Mr. MORSE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. MORSE. Mr. President, as a member of the Foreign Relations Committee, together with the Senator from Montana [Mr. MANSFIELD], I commend him for the very statesmanlike speech he has made this morning. I sincerely hope that the State Department and the President of the United States will give heed to it.

Mr. MANSFIELD. I thank the Senator from Oregon.

Mr. LAUSCHE. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I, too, wish to commend the Senator from Montana for the very excellent presentation he has made.

The PRESIDING OFFICER. The additional time yielded to the Senator from Montana has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Montana may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Montana is recognized for 2 additional minutes.

Mr. LAUSCHE. I should like to make a comment in connection with the mutual security program, to which I generally subscribe. My comment is predicated upon a letter I received from the Reverend Anton Merkun. His letter is written in Slovenian. He says:

> YOUR EXCELLENCY: I am very nearly blind. I cannot hear. I have a heart sickness. I have sugar diabetes. It is with great difficulty that I write.
>
> Badly do I need money which is in Yugoslavia. I will be thankful to you if you can be of any help.

He attaches to his letter a form letter which obviously has been addressed to various Members of Congress. It reads as follows:

> I am an American citizen, and your constituent; and I am turning to you for your kind assistance.
>
> I have real property in Yugoslavia; and although I cannot get any income from the property or make any disposition of the same for several years, I still am the owner of the land registered, and I hope that the intervention of the Department of State would help us to protect our ownership.
>
> In December of last year the Yugoslav Government finally issued a law on nationalization, by which all apartment houses and building lots in cities were nationalized, and a ridiculous compensation was set up, of 10 percent of the present rent, payable each year, for 50 years. So I shall get at least 10 percent of the rent, as the owner of my property, but not as compensation.

Other statements are made in the letter, but I shall not read them.

I believe some consideration should be given the fact that the Yugoslav Government has confiscated the property, and, as compensation, has said, "We will give you, each year, 10 percent of the rental value, for a period of 50 years, at which time your rights come to an end."

I hope our State Department will give heed to what I have said. That development is nationalization of the very worst type. Ten percent of the rent is the annual compensation for 50 years, and nothing else.

My sympathy goes out to Rev. Anton Merkun. I know the man. He is in his eighties. Here he is in his country, with his property confiscated, left helpless and sick. While we are giving aid to Yugoslavia, that country is taking their property away without compensation.

Mr. MANSFIELD. I would hope the State Department would pay heed to what the Senator has just said.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may have 1 additional minute.

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

Mr. JOHNSON of Texas. I pay tribute to the efforts and the dedicated work of the very able Senator from Montana [Mr. MANSFIELD]. He has made a great contribution to the Senate, to the country, and to the free world in his study, and in his thoughtful remarks made here today. I know of no man in public life for whom I have greater admiration or affection than for the Senator from Montana.

Mr. MANSFIELD. I appreciate the sentiments expressed by the Senator from Texas very much.

Mr. AIKEN. Mr. President, the address made to the Senate by the Senator from Montana is probably the best of any which he has made on the international situation. As usual, the address is thought provoking. He has put forward some ideas with which some will disagree, but which ought to be made the subject of widespread discussion in the Senate and elsewhere.

The Senator from Montana is entirely correct when he states that the diffusion of responsibility has probably complicated our handling of international matters. He has performed an extremely useful service in making this speech.

I want to add that I believe that while the international situation today is extremely challenging, it is not hopeless. Some good things have been accomplished, which indicates that we may be able to do more than we think we can now toward bringing about lasting peace in the world and understanding between nations.

Not many years ago we felt that the Trieste situation was insoluble. Then we woke up one morning and found that the Yugoslavs and the Italians had agreed on that question, and apparently agreed successfully, because they seem to have happily resolved that problem in a satisfactory manner.

Not long ago what had appeared to be the insoluble situation with respect to Cyprus was brought to a conclusion. We hope it is a lasting conclusion, and that the people of Cyprus may live peacefully with one another as time goes on.

We all remember the crisis of the Israeli-Egyptian war of 2 or 3 years ago. That fighting has stopped. Things have, I hope, changed for the better there. At least, the Suez Canal is operating successfully, so far as I know, even though we were told that the Egyptians would not be able to get a boat through that canal in any way at all.

The civil war in Lebanon was brought to an end.

More recently, just last week, I believe, it was announced almost simultaneously that we were reopening our consulate in Poznan, and that the Poles were reopening their consulate in Chicago. Almost the same day it was announced that we were airlifting small arms into the country of Laos, in interior Asia. I ventured the opinion at that time that the reestablishment of relations with the Polish people would probably be more effective in the struggle against communism than would the shipment of small arms into the interior of Asia.

So these problems come, and eventually they are settled. If they are worth a solution, there is a solution somewhere, if we will just devote our efforts to finding it.

So, Mr. President, in pointing out these matters, the Senator from Montana has performed, as usual, an extremely useful service to the country and to the Congress.

I have been particularly gratified lately at the work of the International Bank in arranging what appears to be an amicable settlement for the division of the waters of the Indus River between Pakistan and India. That arrangement seems to be a means toward a solution of that problem and the establishment of closer relationships and better understanding between those two countries of southern Asia.

Mr. President, I am not sure that these problems are all bad. If we once became complacent, if we ran out of problems, we would stagnate. There would not be any need of a space committee, I may say to the Senator from Texas. If it had not been for some of these problems, if it had not been for suspicions between the Russian Government and the Western World, we would not be making anywhere near the progress we are making today in the scientific world. I think, however, these events were planned; they were planned correctly. But there is a great satisfaction in working toward and helping to find solutions to problems which seem to be almost insoluble.

Mr. MANSFIELD. I thank the Senator from Vermont for his comments.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to proceed for not more than 1 minute.

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

Mr. LONG of Louisiana. I wish to congratulate the junior Senator from Montana for the very constructive speech he has made. He has placed these issues above partisan politics and has made a major contribution to a better understanding of the problems we face.

Mr. MANSFIELD. I wish to express my deepest thanks to the Senator from Vermont and the Senator from Louisiana.

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may speak for not to exceed 1 minute.

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

Mr. KUCHEL. During the excellent address of the Senator from Montana I had occasion to congratulate him and to comment on some of the points which he was making. I am very glad, as one from this side of the aisle, once again to salute my friend for the clarity of his thinking and of his views, all of which deserve serious consideration by the Congress and our Government.

Mr. MANSFIELD. I thank the Senator from California.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin desire to make a brief statement? We are operating under limited time.

Mr. WILEY. Yes; I do.

The PRESIDING OFFICER. Will the Senator make that request?

Mr. WILEY. Yes.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that 5 minutes be given to the Senator from Wisconsin.

Mr. WILEY. Are we laboring under a limitation of speech in this august body, or what is the situation? I was not here earlier this morning.

The PRESIDING OFFICER. The Chair will inform the Senator from Wisconsin that morning business has been concluded. The Senate is now operating under a unanimous-consent agreement.

Mr. WILEY. I ask unanimous consent, then, that I may have 5 minutes, first to comment upon the matter which we have just disposed of, and then that I may have a minute or two to put matters in the RECORD. I must say my understanding yesterday was that the distinguished Senator from Montana was to start in at 9 o'clock, talk for an hour, and after that we would have a morning hour. That was only my understanding, of course.

Now, may I get back on the track. I want to say I have listened to the very complimentary remarks that were made by the majority leader and the acting minority leader [Mr. KUCHEL] and the Senator from Vermont [Mr. AIKEN] in relation to my good friend MIKE MANSFIELD. Always, when I have the opportunity so to do, I speak out in praise of the Senator. He is not only a thinker, a solid thinker, but one who is friendly in his approach.

I received a copy of the Senator's speech only a few minutes ago. I am sure I shall read it with profit.

GRAVE SITUATION IN FAR EAST

Mr. President, the grave situation in the Far East is a matter of deep concern to all of us, and to the free world.

The invasion of the Chinese Communists is first, a violation of international law; second, a violation of the integrity of another nation's territory; third, and a threat to world peace. Too, it is also reportedly causing serious disruption in the internal affairs of India.

In the past, there have been criticisms of India's policies aimed generally toward nonentanglement in the East and West conflict.

We recognize, however, a nation's right to respect for policies it finds necessary to adopt, in its own self-interest—that is, if such policies are peaceful—not aggressive policies.

The world, I believe, well recognizes the dedication with which Prime Minister Nehru and his government have adhered to the principle of trying to find peaceful, nonmilitary solutions to problems.

Now, India finds itself the target of military aggression. If the Red Chinese pursue tactics which lead to open warfare, it may well enflame all of Southeast Asia and perhaps the world.

The inexplicable factor in the Communist aggression is the difficulty of determining why the Chinese Communists would deliberately antagonize—indeed, attack—a nation which in the past has supported the Red Chinese bid for recognition, particularly in efforts to secure membership in the United Nations.

Today the Chinese and Indian peoples are faced with tremendous economic problems at home. Surely it would be tragic, not only in terms of threats to world peace, but also in terms of the effects upon the Indian and Chinese peoples, if these nations, confronted with such gigantic domestic economic problems, were now to dissipate their resources and manpower in a destructive war.

Time after time the responsible nations of the world have demonstrated the need for outlawing war. Nevertheless, we still find that outlaws exist among us. In policy they remain incorrigible, unwilling to abide by recognized standards of international conduct, and willing to violate territories of other nations for their own purposes.

This new act of aggression, of course, is more solid evidence of why Red China should not be admitted to the U.N.

Again the world—particularly the free world—finds itself faced with a fateful decision on how to deal with aggression by a major power.

The decision, of course, depends on just how far the Chinese Communists intend to carry their territorial violations.

All of us hope and pray that this new aggression can be localized and resolved without major conflict.

Nevertheless, the Red Chinese tactics should alert us, the uncommitted nations and the free world, to the fact that communism has not changed its spots; that it continues to be dedicated to aggressive policies, including military aggression, to achieve its goals of expansion of influence and control over more people.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, Senate bill 1748.

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER. The pending business is S. 1748, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, as to which there is a unanimous-consent agreement to limit debate to 30 minutes on amendments, motions, or appeals, except a motion to lay on the table, and 2 hours on the bill, the time to be equally divided.

The clerk will state the committee amendments, reported by the Senator from Minnesota [Mr. HUMPHREY] on August 25, 1959.

The CHIEF CLERK. On page 1, line 7, it is proposed to strike out "1960" and insert "1962".

On page 1, it is proposed to strike out lines 8 through 11 and insert the following:

(2) Section 103(b) (prescribing limit on appropriations) is amended, effective January 1, 1960, to read as follows:

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1960, and ending December 31, 1962, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $4,500,000,000, plus any amount by which agreements entered into in prior periods have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior periods by this Act as in effect during such periods."

(4) The first section (which provides the short title) is amended to read as follows:

"That this Act may be cited as the 'Food for Peace Act of 1959'."

(5) Section 102(a) (which relates to the carrying out of agreements) is amended by inserting the words "or for grant" after the words "domestic exporters" in clause (1), and by inserting the words "or grant" after the word "sale" in clause (2).

(6) Section 104(k) (relating to scientific activities) is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:".

(7) Section 104(o) (relating to assistance to educational facilities sponsored by United States citizens) is amended by striking out so much thereof as follows the semicolon.

(8) Section 104 (relating to uses of foreign currencies) is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $2,000,000 may be made available for this purpose during any fiscal year;

"(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"(s) For financing the services of technicians, advisers and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries;".

(9) Section 104 is further amended by inserting before the period at the end thereof a colon and the following: "*Provided, however*, That foreign currencies shall be available for the purpose of subsections (p) and (s), in addition to funds otherwise made available for such purposes, only in such

amounts as may be specified from time to time in appropriation Acts".

(10) Title I is further amended by adding at the end thereof the following new section:

"SEC. 110. In order to implement the resolution adopted by the United Nations on February 20, 1957 (United Nations Resolution 1025 [XI]), which was sponsored by the United States, calling for international cooperation in the establishment of national food reserves, surplus agricultural commodities may be made available by the President on a grant basis for such reserve purposes pursuant to an agreement with the recipient country requiring that payment shall be made when such commodities are withdrawn from the reserve: *Provided*, That no payment shall be required for any quantities of such commodities which are used by agreement of the President and the government of the recipient country for purposes provided for in section 201 of this Act. Agreement under which commodities are provided pursuant to this section shall specify whether any payment made thereunder shall be in foreign currency or in dollars, and the purposes authorized under section 104 of this Act for which any such foreign currency payments may be used. Such agreements shall require the government of the recipient country to maintain the reserve at agreed levels unless the President specifically approves a reduction below the agreed level, and shall contain reasonable safeguards to assure that the commodities in the reserve are not used for speculative purposes. In negotiating agreements under this section the President shall give effect to the requirements prescribed in section 101 for agreements entered into under that section."

(1) Such Act is further amended by adding at the end thereof the following new title:

"TITLE IV—ADMINISTRATION

"SEC. 401. The President may carry out the functions conferred upon him by this Act and section 402 of the Mutual Security Act of 1954, as amended, either directly or through an administrator designated by him. The administrator shall perform his functions as assigned by the President in accordance with the provisions of this Act under the general supervision and direction of the Secretary of Agriculture."

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time necessary for the call of the roll being charged to either side.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Johnson, Tex.	Moss
Byrd, W. Va.	Kuchel	Prouty
Carlson	Lausche	Proxmire
Chavez	Long, La.	Schoeppel
Clark	McClellan	Thurmond
Cooper	Mansfield	Wiley
Green	Morse	Young, N. Dak.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS], and the Senator from Massachusetts [Mr. KENNEDY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union meetings at Warsaw, Poland.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. JOHNSON of Texas. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARROLL, Mr. CASE of New Jersey, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FREAR, Mr. FULBRIGHT, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON of South Carolina, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. KERR, Mr. LANGER, Mr. LONG of Hawaii, Mr. MAGNUSON, Mr. MARTIN, Mr. MCCARTHY, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. PASTORE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). A quorum is present.

RECESS TO 1 O'CLOCK P.M. TODAY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate take a recess until 1 o'clock p.m. today.

The motion was agreed to; and (at 10 o'clock and 48 minutes a.m.) the Senate took a recess until 1 o'clock p.m. today.

The Senate reassembled at 1 o'clock p.m., and was called to order by the President pro tempore.

The PRESIDENT pro tempore. The hour of 1 o'clock has arrived; and the Senate will come to order.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 2, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also anounced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 8678. An act to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes; and

H.J. Res. 513. Joint resolution designating the 17th day of December 1959 as "Wright Brothers Day."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 53. An act to amend the Acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district numbered 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 2424. An act to amend the Communications Act of 1934 in order to provide that the equal-time provision with respect to candidates for public office shall not apply to news and other similar programs;

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto;

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, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 8374. An act to amend Public Law 85-880, and for other purposes;

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. Joint resolution for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 513) designating the 17th day of December 1959 as "Wright Brothers Day," was read twice by its title and referred to the Committee on the Judiciary.

CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York may proceed for 3 minutes.

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

Mr. JAVITS. Mr. President, to demonstrate that the problems of civil rights in the country are just as much on the minds of the people as they are on the minds of the Members of Congress, and that action is demanded and dictated by the whole situation which faces us, not only in the South, but also elsewhere in the Nation, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter from the Leadership Conference on Civil Rights, signed by officials of the leading organizations in the whole civil rights field, including the American Council on Human Rights, the American Jewish Committee, the American Veterans Committee, the Americans for Democratic Action, the American Jewish Congress, the Friends Committee on National Legislation, the NAACP, the American Civil Liberties Union, the Sleeping Car Porters, and the United Steelworkers of America.

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

LEADERSHIP CONFERENCE ON CIVIL RIGHTS,
New York, N.Y., September 3, 1959.

The Honorable JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: It is a tragic thing that at this late date, on the eve of adjournment of the present session, the Senate has not yet had an opportunity to pass meaningful civil rights legislation. Like a broken record, the same theme has been played again and again. The Constitutional Rights Subcommittee has voted out a bill, albeit woefully inadequate, after extensive hearings, and thereupon the filibuster in the full Judiciary Committee has been going strong.

In light of this situation, we welcome the actions which have been taken to bypass the Judiciary Committee. It now appears likely that through one route or another the Senate may have the opportunity to act on civil rights legislation before it adjourns.

Because of the timing of the probable action, however, we are greatly disturbed over the possibility that the Senate might feel compelled to accept so little substantively that the final product would be a civil rights bill in name only. If the issue comes to the floor of the Senate just prior to an announced adjournment target, we urge the friends of civil rights not to be stampeded into accepting a token civil rights bill.

Although men of good will may disagree on the last details of a meaningful bill for 1959, we think that there really is no room for disagreement on the imperative need to include in any bill provisions for explicit and substantial implementation of the school desegregation decisions which have now been the law of the land for more than 5 years. The most effective provision thus far proposed towards this end is the part III which was struck from the 1957 bill. Events since then have only underlined the need for this provision giving the Attorney General authority to institute civil actions on behalf of those whose rights have been denied.

Part III is included in the amendment to S. 2391 which Senator HENNINGS has already offered to the Senate for calling up at any time and on any bill. This amendment, as a matter of fact, includes all of S. 810, the Douglas-Javits-Humphrey-Case bill. We support this amendment as the most complete and meaningful "package" of civil rights proposals and earnestly request your support for it, and, if the parliamentary situation should develop that way, against tabling it.

The newspapers have been speculating for some time now about a possible package which will be offered by the leadership of the Senate on both sides of the aisle. We cannot, of course, appraise a proposal which has not been unveiled. We feel compelled to state, however, that if the press reports of its probable contents are accurate, this token bill will be opposed by civil-rights groups of the Nation. No other proposal, written or rumored, packaged or separate, which omits backing for the law of the land as contained in the Hennings amendment we endorse can win the backing of those seeking vindication of rights protected by the Constitution.

Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Sincerely yours,

Roy Wilkins, Chairman, Leadership Conference on Civil Rights, and Executive Secretary, National Association for the Advancement of Colored People; American Civil Liberties Union, Patrick Murphy Malin, Executive Director; American Council on Human Rights, Mrs. Aretha B. McKinley, Director; American Jewish Committee, John Slawson, Executive Director; American Veterans Committee, Irving Lechliter, Executive Director; Americans for Democratic Action, Joseph L. Rauh, Vice Chairman for Civil Rights; Women's International League for Peace and Freedom, Analee Stewart, Washington Representative; American Jewish Congress, Isaac Tobin, Executive Director; Friends Committee on National Legislation, E. Raymond Wilson, Executive Secretary; Japanese American Citizens League, Mike Masaoka, Washington Representative; International Union of Electrical Radio and Machine Workers, James B. Carey, President; Jewish War Veterans, Bernard Weitzer, National Legislative Director; National Association for the Advancement of Colored People, Roy Wilkins, Executive Secretary; United Auto Workers of America, Walter Reuther, President; Committee on Civil Rights, United Steelworkers of America, Francis Shane, Executive Secretary; Brotherhood of Sleeping Car Porters, A. Philip Randolph, President.

(These signatures are authorized.)

Mr. JAVITS. Mr. President, the key to the whole letter is the deep feeling that now is the time—unless we are going to let the country down—when we must enact civil rights legislation. In that connection, I read the concluding paragraph of the letter:

Regardless of the particular parliamentary situation which may develop, we call upon the friends of civil rights not to yield to adjournment jitters, to filibuster threats, to cries for party harmony, or any other excuse for doing less than is morally justified at this crucial moment in the battle for human rights.

Mr. President, the letter makes perfectly clear to all of us that what they are talking about is not just a civil rights label, but a meaningful civil rights bill which will include part III which was stricken cut of the 1957 bill, and which is now shown to all of us to be urgently required in order to give the Attorney General authority to institute civil actions on behalf of those whose civil rights have been denied.

I conclude by stating, as I have said before, that no consideration in regard to ending the session or going home or doing anything else or not being here when Mr. Khrushchev is in town—which I, myself, think is of very small moment—should prevent us from enacting at this session a meaningful civil rights bill. No one can guarantee that it can be done; but at least we can seek to make a successful try.

I must state here and now that we have every reason to expect that civil rights legislation will be called up by the leadership before we adjourn but if we have no other opportunity to bring up civil rights legislation, I have proposed to afford the Senate such an opportunity by means of the resolution to discharge the Judiciary Committee from the further consideration of the civil rights bill, which resolution is now on the calendar.

MEETING OUR NATION'S WATER RESOURCE NEEDS

Mr. MURRAY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Montana may be recognized for 3 minutes.

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

Mr. MURRAY. Mr. President, the veto of the public works appropriation bill and the failure of the House of Representatives to override it constitute a grievous setback for the entire Nation.

The development, conservation, and wise use of natural resources are basic to the strength of every nation. The United States has strength for freedom in international affairs, because we have strength at home. From the start of our Nation, we have grown through the will and the courage to develop our natural resources for productive uses. This is the core of national policy, and we dare not let the veto become an epitaph of our Nation's growth and progress.

There must be new starts, because they are our investments in national resources. Like the business organizations that fail when they cease to invest in new production capacity, a nation stag-

nates when it ceases to develop its resources.

To brand the public works appropriations bill as "overspending in respect to water resources" is both false and dangerous. It is dangerous because it threatens to trap us into continuing underdevelopment of our resources, continuing lost production, and lost opportunities to conserve and develop our resources.

The paramount issue is that the Nation must maintain the basis of its strength and well-being. The administration asserts that the United States is unable to provide for the water-resource developments that are needed by our people. This misstatement and other distortions of the facts misrepresent the issues.

The veto is a harsh denial of the needs of every section of the United States. The appropriation bill passed by the Congress responded to widespread needs for water-resource development, and it would have financed the most urgent projects within the amount of the President's budget request.

This veto and the failure to override it will mean continued restriction of natural-resource programs, contrary to the intent of Congress.

The public works appropriation bill passed by the Congress is an economical measure—too frugal, in my view. In responding to the widespread need for water projects, by breaking through the iron curtain of "no new starts," the bill stayed within 3 percent of the budget estimate transmitted by the President. This fact refutes the charge of "overspending."

There is no excuse for the accusation of "overspending" for natural resources. We know from our own experience that the United States has ample capacity to carry out necessary resource development and conservation. There also is authoritative advice from business and financial leaders and from outstanding economists that we have the ability to develop needed resources, and that such development increases the national income and the Government revenues.

The preceding administrations of President Roosevelt and President Truman joined with the Congress in extending natural-resource programs. They started the projects on which this administration has been coasting. Even the Colorado River storage project, for which the present administration seeks credit, was planned and prepared for congressional authorization under President Truman.

In place of vigorous natural-resource programs of the preceding administrations, this administration suppresses them. It has reversed the trend. In 1950, the budget requests for the Bureau of Reclamation and the Corps of Engineers amounted to 2½ percent of the total budget; but this year they amounted to less than 1½ percent.

The veto is directed against the increase provided in the appropriation bill passed by the Congress, but even with that increase the water resource program for 1960 would be short of the 1950 level.

The veto message is pointed against the cost of the new starts; but the total cost of the reclamation new starts, with the funds to be expended over a number of years, would be only as much as the cost of a single year's reclamation construction program of 10 years ago.

The "no new starts" program that has prevailed for 7 years is not an economy program. It is a program that wastes human and natural resources. It does not husband public funds; instead, it minimizes public revenues. This restrictive program hoards money while it dissipates resources.

For 7 years, "no new starts" has been a gate barred against the needs for all sections of the country. Unsatisfied needs for irrigation, for municipal and industrial water supplies, for flood control, for navigation, and for hydroelectric power have accumulated; and now they constitute a major deficiency in the economy.

The administration's refusal to undertake these needed projects has denied to millions of our citizens opportunities for better living conditions and useful employment. Production has been restrained, for lack of developed water resources; new income has been missed; and tax revenues have been lost.

In many quarters, there is lack of understanding of the necessary relation between national growth and new investment in resource development—and that means new starts. This is the same necessary relationship that exists in the business world between investment in new production capacity and industrial prosperity.

The United States is growing rapidly. Soon our population will be 250 million. Production must increase with population growth and with the increased requirements for civilian and defense uses. Our national capabilities have grown, too. Our gross national product—the sum of the goods and services produced—approaches the $500 billion mark. These facts certainly do not support the veto statement that the appropriation bill "ignores the necessity of orderly development of America's water resources within the Nation's fiscal ability."

Two weeks ago, I introduced Senate bill 2549, the proposed Natural Resources and Conservation Act. One of the purposes of that measure, Mr. President, is to forestall the sort of error that is perpetrated in the veto of the public works appropriation bill. Enactment of Senate bill 2549 will provide the Congress, the executive branch, and the people with an authoritative, factual appraisal of what development and conservation measures are needed by the country and what means should be used for their accomplishment. Enactment of that measure should clear up a great deal of the misunderstanding about new starts, and it should put them in a sound relationship to national growth.

Hearings on the proposed Natural Resources and Conservation Act will proceed during the fall, in order to provide for full discussion by responsible officials and leading citizens. It is my hope that the bill may be reported to the Senate for early action.

The veto of the public works appropriation bill, again shutting out needed water projects, warns us of the urgency of revitalizing natural-resource programs. We must assure that needed development and conservation measures will proceed, and that they will be measured by sound and courageous standards in the American tradition.

Only by this means will the United States remain strong at home and abroad—a bastion of free people everywhere.

CONDITIONS IN THE MINING INDUSTRY

Mr. MURRAY. Mr. President, I am certain every Member of the Congress who is at all informed knows of the precarious state of our mining industry. An adequate supply of metals from within our own borders is a keystone to our security for defense in war and our prosperity and progress in peace.

Yet, as the result of foreign policies over which the Congress has been able to exercise little, if any, control up to this time, our once great mining industry has gone from very bad to much worse. A further proof of this fact is one of the leading articles in the business and financial section of the New York Times for Sunday, August 30. This article is illustrated by several pictures, one of which spreads over four columns. This picture shows a small group of students attending a lecture at the Montana School of Mines—one of the great mining schools of our country, Mr. President—and the caption points out that there now are only four or five candidates for mining degrees in each of our leading schools.

Mr. President, I ask unanimous consent that the text of the article in the New York Times be printed in the body of the RECORD at this point.

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

[From the New York Times, Aug. 30, 1959]

ENGINEERS STEER AWAY FROM MINES—CAREER IN INDUSTRY LOSES APPEAL AGAINST GLAMOR, PAY OF SPACE FIELDS

(By Jack R. Ryan)

The future of mining engineering is beginning to look a little shaky, judging from the meager amount of new blood being pumped into the profession.

It's one of the oldest, and certainly among the most basic, of all branches of engineering, charged with the vital task of seeking out and recovering the mineral raw materials of industry and defense.

But in the midst of all the ballyhoo over rocketry and space-age science, mining engineering apparently has lost much of its allure.

This year, throughout the Nation, only 208 new mining engineers received their first degrees (usually bachelor of science), according to the Engineering Manpower Commission. That compared with 469 only 8 years ago. Total first degrees in all branches of engineering exceeded 35,000 annually in recent years.

It is true that most other engineering branches also posted declines from the levels

of the early 1950's, when graduation rolls were swelled by veterans finishing their work under the GI bill. But no branch had anywhere near the drop experienced by mining.

CLASSES SMALL

Several of the 29 fully accredited colleges and universities offering mining degrees graduated only 1 to 6 new engineers last June. Some had more professors than graduates. Columbia University here, which once conferred bachelor's degrees on 50 to 100 a year in mining engineering, this spring awarded only 5. The School of Mines at Columbia was founded in 1864, was the first of its kind in the United States and is the oldest engineering department at the university.

Why has the profession lost the popularity it once had among the bright young men seeking their fortunes? Engineers, educators, and industry executives, asked that question last week in a series of interviews, offered dozens of reasons.

Mining cannot compete just now with the glamor fields—rocketry and the advanced chemistry and electronics that support it, they said. The starting salaries may be as high as in other traditional forms of engineering (some young engineers dispute this), but they are still below those being offered in the new nuclear and space-age fields.

OLDTIMERS COMPLAIN

Some oldtimers in the metals industry complained that today's youngsters lacked the venturesome spirit that fired the mining engineers of 40 years ago.

"Nowadays all some kids think about is security," said one copper executive. "They used to be more concerned with the chance to strike it rich, of becoming boss of the mine, of making their own way rapidly in the world even if it involved a few risks."

But a younger mining engineer retorted, in a typical comment:

"The kids wouldn't mind being exiled to some lonely mine out in the cactus or the jungle if the rewards were commensurate with the hardship.

"But what usually happens? The new engineer gets stuck with underground surveying or sampling for months or years.

"Only a few companies are doing any real research that would provide challenging, professional work—the kind he could find quickly in aircraft or chemistry, for example. And with so many little mining companies swallowed up by the big ones these days, what are the real chances any more of striking it rich or becoming a boy-wonder boss?"

Others said the lack of economic continuity in the profession had discouraged many. They noted that during the recent recession, many mining engineers—and not the newcomers alone—were laid off. If the present widespread strikes in the major nonferrous metals companies continued long, more engineers would be out of jobs, too, they predicted.

"These engineers should be looked on as part of a company's permanent investment," said one who now holds an important editorial post in the field. "In times of strikes or recessions, they should be put to work trying to cut mining costs or reduce safety hazards or doing some other kind of essential research—not just laid off."

William A. Vine, professor of mining engineering at the Montana School of Mines, suggested that many of the young men who were not choosing mining engineering as such were branching off into allied specialties, such as geology, geophysical engineering, petroleum engineering and so on, and were being graduated in those fields.

SUPPLY AND DEMAND

Some mining executives shrug off the problem, say it's one of simple supply and demand: when a real shortage of mining engineers develops, salaries and other incentives will be forced up and students will flock into the profession.

Other observers, pondering the long-range future of the minerals industry, have been voicing increasing concern recently. Who, they ask, is going to provide the Nation's metals, mineral chemicals, and fuels a decade or two from now when ore bodies have become leaner and deeper and harder to find?

One asking such questions is Roger V. Pierce, a well-known Salt Lake City consulting engineer and a national vice president of the American Institute of Mining, Metallurgical and Petroleum Engineers. He believes that one of these days, the easy-to-mine deposits abroad—being mined for their high-grade ore now, the way ours were 35 years ago—will be depleted to the point that leaner ores still available here will be in urgent demand.

"We're not training the boys now for that coming period when we'll need them," he said. "We're not preparing the future minerals engineers to keep up with other industries. We don't stop training Army, Navy and Air Force officers just because we're not currently fighting a hot war, do we?"

SCHOOL SHIFT URGED

In speeches to engineering and college groups of several States, Mr. Pierce has been urging that the 29 present accredited schools giving mining degrees be consolidated into 6 or less. These, he says, should be strategically placed so that students could get first-hand training in commercial mining operations, and should be supported financially by the Federal Government and by industry through endowment funds.

"Ninety percent or more of our mining engineers are coming from State-supported schools, not one of which has enough money to put a first-class faculty on the campus," he contends.

Nathaniel Arbiter, professor of mineral engineering at Columbia, is concerned over what he sees as the dwindling supply of qualified students to conduct research in ore beneficiation and extractive metallurgy. Such research is flourishing abroad, he reports, and is being given massive support by governments in the Communist bloc.

Clyde E. Weed, chairman of the Anaconda Co., and himself a mining engineer, said there were still "rare opportunities" for young engineers in his company.

"The kind of young man who will succeed is the kind of fellow who is interested in adventure, not security," he said last week. "He's concerned with creativity, not the comfort of routine. He's a gambler of his energies on the calculated risk. He's capable of living with a quiet confidence and self-sufficiency in remote areas. He delights in the prospect of giving life to barren lands. He wants opportunity in life, not somebody's plan."

PUBLIC WORKS APPROPRIATIONS

Mr. MANSFIELD. Mr. President, I was greatly disappointed and distressed by the action taken by President Eisenhower in vetoing the public works appropriation bill. I thought it was a good bill because it looked to the future and provided for the continued orderly development of our natural resources. It represented an investment in America which would have benefited our own people. As far as I am concerned the members of the Senate Committee on Appropriations should have absolutely no regrets about the public works appropriation bill which they sent to the White House.

The veto of this money bill is a great blow to the people of my State. It not only provided funds for continued construction of projects, like the Helena Valley unit and the second powerplant at Fort Peck Dam in Montana, but it also provided funds for a modest start on the East Bench unit at Dillon in the southwestern part of the Treasure State.

The bill that the President vetoed was not a spender's bill. We in Montana had reconciled ourselves to the fact that we could not get everything we wanted. For instance, we have the finest multipurpose project in the Nation ready for construction—Yellowtail Dam. We wanted to see it started this year, but because it is such a large project and it would have considerable effect on the reclamation program, the Appropriations Committees felt, in their wisdom, that this project should wait a year.

On the other hand, we have the East Bench unit in the Beaverhead. It is a fully repayable irrigation project. The Congress provided an appropriation of $1 milion to begin work on the project in the current fiscal year. It is not a big project as its total estimated cost is slightly in excess of $20 million. A new start for East Bench is not going to bust anybody's budget.

Secretary of the Interior Seaton reports in the press that East Bench unit is one of eight projects that he will request funds for in the next fiscal year. This is fine but another year may be too late. In addition, the Secretary's request may not be cleared by the all-powerful Bureau of the Budget.

If we have to wait another year it is very likely that the cost of the project will be increased an additional $2 million. The State highway department in Montana has planned for some time to start construction of a new defense highway in the area of the proposed reservoir in November of this year. They have been persuaded to postpone this project 1 year so that their plans can be coordinated with the location of the dam and reservoir which will be created by East Bench. Any more delay will be expensive because the operation and maintenance of the old road is expensive and the timetable of the interstate highway program does not provide for extended delay. Unless construction funds are provided so that the Union Pacific Railroad can be relocated, this highway must then be routed through the proposed reservoir. The highway cannot be relocated around the proposed reservoir prior to relocation of the railroad because of excessive costs for crossing structures and acquisition of necessary rights-of-way.

In addition to the engineering facts that support the construction of this

project this year, it is important to remember that this project will mean a great deal to the economy of the area. East Bench unit will provide new and supplemental irrigation for 49,804 acres of land. This will bring new land under cultivation in a State which at present has only 2 percent of its gross land area, or about 13 percent of all the cropland, under irrigation. It will not produce products which are now in surplus supply. The economy of the Dillon area, in addition to mining, is largely livestock, predominantly cattle, which are not under any Federal Government support program. A major portion of the area is devoted to the production of hay and pasture for stock. Grains grown in the area are also practically all used for stock feeding. The construction of the East Bench unit would greatly increase livestock production and stabilize the economy of this area.

Mr. President, before concluding I would like to discuss something which concerns me greatly. Each time public works appropriations are considered I get the impression from so many that we are appropriating funds for subsidized projects. They are not, they are an investment in the future development of our Nation. These appropriations are not grants of Federal money, they are loans and the cost of these projects is fully repaid with interest. This is done by the irrigation districts through repayment contracts which are signed before any work is ever done on the project. In the case of large multipurpose projects a large part of the repayment is received from the sale of hydroelectric power.

In western Montana we have a large multipurpose project which is paying for itself, in fact it is ahead of schedule in its repayment schedule. I speak of Hungry Horse Dam. I am justly proud of this project. It is a real investment in the future of western Montana because it has provided flood control, regulation of the flow of waterways, recreation, and above all it has expanded the economic base of Flathead Lake area of the State. There are several new industries brought in because of this new source of power. They have provided employment, expanded the tax base and contributed to the economic development of the local communities.

The public works appropriation bill the President vetoed provided for an orderly development of our resources, benefiting millions of Americans.

I cannot help but express the wish that the United States would realize as many benefits from its foreign aid grant program as we do from the development of our own natural resources. If we are to grow and prosper in the eyes of the world we are also going to have to do something here at home.

Mr. President, I ask unanimous consent to have an editorial which appeared in the August 31 issue of the Billings Gazette printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

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

MAY GET ACTION NEXT YEAR ON YELLOWTAIL DAM

In an address before the Senate, Monday, August 17, Senator MIKE MANSFIELD, of Montana, expressed disappointment over the failure of a Senate-House conference committee to agree upon appropriation of $3 million for making a start on the construction of Yellowtail Dam in the canyon of the Big Horn River some 40 miles southwest of Hardin in Big Horn County. The Senate Committee on Appropriations included an allocation of the funds in a measure previously approved by Public Works Subcommittee, but when the bill went to a conference committee, the House members of that committee declined to accept the item which was, therefore, deleted from the bill.

Replying to the statement by Senator MANSIELD, Senator CARL HAYDEN of the Senate Appropriations Committee, and also chairman of the Subcommittee on Public Works, explained why it was not considered feasible to make the appropriation at the current session but did say that the funds for starting actual construction of the dam should be made available for the 1960–61 fiscal year.

The cost of this project is fixed at $100 million, but, unless this inflationary spiral is reversed, that cost may rise as time goes on. Also, the history of many of these Government dam projects shows that in all too many instances, the final cost of the undertaking greatly exceeds the estimated cost made at the time the project was authorized. This has something or other to do with the way many of the bureaus of our Federal Government transact business.

It may be assumed that most of the older residents of this section of Montana and some of the later arrivals know the history of the Yellowtail Dam project. Actually, agitation for the construction of this dam was begun not too long after the Reclamation Bureau in the Department of the Interior was established in 1902. There was much to recommend the construction of this dam. First was the advantage which would accrue from the reclamation of several thousand acres of semiarid land. Next was the fact that the site of the structure up there in the Big Horn Canyon was one of the most nearly ideal to be found anywhere in these Western States.

The construction of projects of that kind in States of the West and particularly the Great Plains area, for the irrigation of arid and semiarid lands was the chief reason for the establishment of the Reclamation Bureau under the terms of a measure introduced by Senator Newlands, of Nevada. During his second term, 1905–11, Senator Thomas H. Carter, of Montana, did much toward establishing that Bureau on a firm foundation and for obtaining money for the lower Yellowstone, Huntley, and Sun River projects in Montana.

John Harris, a resident of Hardin until he moved to Chicago in his later years, spent years trying to promote a start on Yellowtail Dam. He made repeated trips to Washington during those years and really kept alive the movement favoring the dam even when success appeared all but hopeless to most of the other backers of the plan.

Harris made some trips to the National Capital while the writer was down there and once, during a vacation period, took us up to the site of the proposed dam. It was then a rugged trip but worth the trouble.

The engineers for the Reclamation Bureau have long recognized the merit of the plan for building a dam up there and have conducted exhaustive surveys and done considerable other preliminary work, but efforts to get started on the project were stymied by an inability to reach an agreement with members of the Crow Indian Council on the damsite and the land to be inundated by the lake created by the dam construction.

While there are some differences between the Federal Government and the Indian council still to be disposed of, there is no longer any substantial hindrance to the start of construction except the lack of an appropriation of funds by the Government and, as Senator HAYDEN has promised our Montana congressional delegation, that will probably be forthcoming after the next session of Congress—at least a sum sufficient to make a good start on the project.

Yellowtail will be a multipurpose dam as are most of those now being constructed by the Federal Government. In addition to making possible the irrigation of a large area of land, it will be equipped with generators to produce a great deal of electric power and serve as an important unit of the upper Missouri River flood-control system.

The hundred million or more dollars to be spent for the construction of the dam and the additional sums required to construct an irrigation system and facilities for the generation of electric energy will contribute greatly to the economic progress of this southeastern section of Montana. The progressive little city of Hardin will share with Billings many of the advantages resulting from this project. Members of the Crow Indian Tribe are already assured of a substantial sum of cash for the damsite and land which they will surrender to the Federal Government.

CONDITIONS IN THE STEEL INDUSTRY

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter appearing in the Washington Post of August 23 and one appearing on August 25. The former entitled "Inflation and Steel Prices," is by Eugene Havas, formerly economic adviser to the Royal Hungarian Embassy, contributor to the London Economist and well-known financial and investment consultant. In his letter, Mr. Havas reaches the conclusion that, at the present levels of demand, existing steel capacity, financed largely by consumers and taxpayers, is excessive; that the steel companies, recognizing this fact, have raised their prices to such a level that they can make substantial profits while operating well below capacity. Mr. Havas calls attention to the recent report in Great Britain of the council of "three wise men" criticizing prosperous British companies for paying higher dividends instead of lowering prices. He ends with this provocative question:

> With our steel companies preparing for stock splits and increasing dividends again, is it not high time that we have a fact-finding board on prices and productivity and an authority to defend the consumer from corporate exploitation to reverse the inflationary expectations caused by the unrestrained profit appetite of the steel industry?

The letter of the 25th is by Prof. Allan G. Gruchy, professor of economics at

the University of Maryland. Professor Gruchy points out that as long as the steel companies pay high dividends while at the same time forcing the consumer to pay for their capital expansion the industry will continue to insist that its profits are not excessive. Professor Gruchy calls attention to a new report from Norway on the control of inflation written by an economist at the University of Oslo and three government officials. Speaking of this report, Professor Gruchy writes:

The conclusion of this very significant report is that the inflation problem will never be solved, even where there is a fairly extensive system of economic controls as in Norway and Sweden, until labor, management, and government are willing to come together to agree upon how the earnings of industry are to be shared by both sides and the public in those lines of economic activity where the forces of competition are no longer effective in their control of the market.

This is essentially the same problem which I have discussed in previous remarks, namely how to distribute the gains of technological progress among management, labor and consumers in noncompetitive industries where the allocation is not made automatically by the unseen hand of competition. Apparently, this problem is not confined to the United States but has been a source of some concern at least in Great Britain and Norway as well.

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

[From the Washington Post, Aug. 23, 1959]

INFLATION AND STEEL PRICES

The senior economist of the Federal Reserve Board, Winfield Riefler, in a recent address dealing with inflation and growth stated that misallocation of funds for excessive capacity building is one of the recent forces of inflationary expectations.

What I believe is even worse than the funds diverted to such purposes is the source of such funds and the manner they are used to exploit the consumer from whom these funds are exacted in the form of higher prices in our economy which is neither free nor market determined.

Besides the cost to the consumer these quasi monopolistic highly concentrated industries financed a considerable part of their excess capacity from the accelerated depreciation allowances, causing billions of revenue losses which the Treasury can ill afford and could have used for better purposes.

Apart from the steadily rising cost of living this built-in inflation in excess capacity production is also causing evil social consequences. We are just becoming aware of it in the present steel dispute. Steel capacity is about 145–150 million tons but only 85 million tons were produced last year. That is less than 60 percent of capacity.

In the first half of this year the industry was operating at 87½ percent capacity and produced about 64 million tons of steel. Without the strike the total annual production would have reached probably 115 million tons in view of the general economic recovery. This is, however, less than 80 percent of the overbuilt steel capacity so that the industry can produce advantageously all the economy needs in about 9 months and be idle for 2 or 3 months.

Thus through this excess capacity built from the consumer and the taxpayer's involuntary contributions the steel industry is able and willing to force a showdown from this socially questionable position of strength in its dispute with the steelworkers which can only lead to permanent bitterness in industrial labor relations.

Even before the strike started the trade paper Iron Age warned management not to try to regain at this time all it bargained away in 18 years. The industry's self-styled noninflationary contract offer is not fair. It denies to the consumer and the worker any share of the tremendous productivity increase obtained in the first 6 months of 1959 which sent profits to an all-time high. Big and small steel mills rivaled each other in the record earnings which surpassed the total profits for the full year of 1958 in the first half of 1959. Even more significant is the fact that the industry earned more profits producing 64 million tons in 6 months than 85 million tons last year.

The industry is offering small wage increases and pension benefits to the steelworkers if they would consent to working rule changes. Thus the industry is contradicting its own platform that all wage increases, no matter how small, are inflationary. It proves that the management wants to have its cake and eat it, too.

In Great Britain the government appointed a council of three "wise men" 2 years ago to review prices and productivity. In their last report the nation's industrialists were told that it is particularly regrettable that at this time the prosperous companies are paying higher dividends instead of cutting prices.

With our steel companies preparing for stock splits and increasing dividends again, is it not high time that we have a fact-finding board on prices and productivity and an authority to defend the consumer from corporate exploitation to reverse the inflationary expectations caused by the unrestrained profit appetite of the steel industry?

EUGENE HAVAS.

WASHINGTON.

[From the Washington Post, Aug. 25, 1959]

ECONOMICS OF STEEL

As long as the steel industry insists upon paying high dividends and at the same time retaining large undistributed profits to finance a major portion of its capital expansion, the industry will continue to insist that profits are not excessive.

More financing of capital expansion through the issuance of securities to the public rather than through the accumulation of undistributed profits would mean a smaller need to build up earned surpluses, and would make possible wage rate increases without raising steel prices.

Any profits above the level needed to attract new capital and to finance capital expansion should be made available for (1) wage rate increases related to improvements in productivity, (2) reductions in the price of steel, or (3) a combination of the two. Since neither the steel industry nor the steelworkers' union is in a good position to make unbiased studies of the profit requirements of the steel industry, the Government should assume responsibility for these studies.

After such studies have been completed, a settlement of the strike that would be reasonable in terms of wages, steel prices, and profits could be arrived at only through negotiations by management and labor within an economic framework based upon the Government's investigation of the steel industry's profits.

It is interesting to observe that this is precisely the direction in which the wage-price-profit issue is moving in the Scandinavian countries.

A most interesting report on the control of inflation, written by the well-known economist Trygve Haavelmo of the University of Oslo and three government officials, has recently come out of Norway.

The conclusion of this very significant report is that the inflation problem will never be solved, even where there is a fairly extensive system of economic controls as in Norway and Sweden, until labor, management, and government are willing to come together to agree upon how the earnings of industry are to be shared by both sides and the public in those lines of economic activity where the forces of competition are no longer effective in their control of the market.

The report goes on to assert that the problem of inflation in Norway, and we might say the same thing for the United States, cannot be met until there is negotiation within an appropriate overall economic framework such as we do not yet have available to management and labor in our key industries.

Until collective bargaining in this country is raised above the current level of a two-party squabble, there can be no hope for wage settlements without inflationary consequences.

ALLAN G. GRUCHY,
Professor of Economics,
University of Maryland.

COLLEGE PARK.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDENT pro tempore. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, early this year the Department of Agriculture sent to the Committee on Agriculture and Forestry a suggestion that Public Law 480, the Agricultural Trade Development and Assistance Act, merely be extended for 1 year, with a title I authorization increase of $1,500 million and a title II authorization increase of $300 million for that year. The present authorization expires on December 31 of this year.

Mr. President, I ask unanimous consent that a letter from the Acting Counsel of the Department of Agriculture outlining that suggestion be printed at this point in my remarks.

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

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Mr. HARKER T. STANTON,
Counsel, Agriculture and Forestry Committee, U.S. Senate.

DEAR MR. STANTON: There is transmitted herewith a draft of a bill, together with an explanation thereof, that would put into effect the proposal for extending Public Law

480 in accordance with the President's agricultural message and the testimony of the Secretary at the hearing before the committee.

The draft legislation would extend title I of Public Law 480 for 1 year and increase the amount authorized to be expended under title I by $1,500 million. The draft legislation would also extend title II of Public Law 480 for 1 year and would increase the amount authorized to be expended under title II from $800 million to $1,100 million.

Sincerely yours,

EDWARD M. SHULMAN,
Acting General Counsel.

Mr. ELLENDER. If the bill as reported by the committee were passed in its present form, title I would be extended for 1 year—that is, up to December 31, 1960, with an authorization of $1,500 million; and title II would be extended for 1 year, with an additional authorization of $300 million.

On the day the committee reported the bill, the Department sent us another letter, suggesting that the bill be expanded—that is, that certain amendments be added to the bill. The committee had no time to look into the proposed amendments, because, as I have said, they arrived in the committee room only about 10 minutes before we acted on the bill.

The amendments proposed would permit the purchase of materials for the United States for civil defense purposes; and a new section would be added, in order to utilize foreign currencies to purchase nonfood emergency relief. A third suggested amendment was that a new section be added, to authorize grants of commodities under title I for national food reserves.

I ask unanimous consent that this second letter, dated July 14, 1959, be printed at this point in my remarks.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 14, 1959.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR SENATOR ELLENDER: On April 17, 1959, the General Counsel of this Department furnished the Counsel of your committee a draft of legislation to carry out the President's recommendations for extension of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.). On April 21 you introduced this draft as S. 1748.

Subsequently the Department has given further study to this proposed legislation, particularly in connection with its relationship to the Food for Peace program recommended by the President. As a result of the further study, which was conducted in cooperation with interested Government agencies, we wish to recommend the enactment of S. 1748 in an amended form. For your convenience we are enclosing a copy of the bill as it would be amended.

It is proposed that (1) section 103(b) be amended to increase the title I authority by $1.5 billion; (2) section 109 be amended to extend the terminal date through which title I transactions can be undertaken from December 31, 1959, to December 31, 1960; (3) section 104(b) be amended to permit the purchase of materials for U.S. civil defense purposes; (4) new section 104(p) be added to permit use of foreign currencies for nonfood emergency relief; and (5) new section 110 be added to authorize grants of commodities under title I for national food reserves.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. The current authorization of $2¼ billion expires on December 31, 1959.

The request for the additional $1.5 billion and the extension of the terminal date is presented at this time in order to permit orderly programing and shipment of agricultural commodities without interruption to those areas of the world which are urgently in need of these commodities. The surplus situation with respect to many commodities will worsen in the foreseeable future. The carryover of wheat, feed grains, cotton, and other commodities will continue high and will be considerably larger than our ability to sell them for dollars. The Commodity Credit Corporation's investment in agricultural commodities was reduced to about $7 billion on June 30, 1958, from a previous high of nearly $9 billion. This investment, however, is now rising rapidly and is expected to continue to rise.

The requested extension and increase in authorization will permit title I sales to continue at the same rate currently authorized. Every effort will be made, consistent with the objectives of the Food for Peace program, to maximize the utilization of our surpluses, however, and any additional authorization needed will be requested of the Congress before the end of the fiscal year 1960.

Amendment of section 104(b) is required to facilitate the acquisition of materials and products which should be stockpiled as essential to the survival of the civilian population in event of nuclear attack on the United States. To the extent that foreign currencies could be used for this purpose, the amendment would eliminate the need for dollar appropriations.

New section 104(p) is required to permit the President to more fully meet the emergency needs of friendly peoples abroad. Food can be donated quickly under title II of Public Law 480; however, this additional use of foreign currencies generated by title I sales is necessary to furnish blankets, medicines, and other nonfood items in times of emergency.

In furtherance of the President's Food for Peace program, new section 110 is requested to allow grants of food to underdeveloped countries for national food reserves, under terms requiring such food to be paid for if it is used for other than to meet agreed emergency needs.

In order to permit continuation of the useful activities which have been possible under title II of Public Law 480 (relating to famine relief and other emergency assistance), it is proposed that section 203 be amended by increasing the authority by $300 million; it is proposed that section 204 be amended by extending the terminal date for undertaking such programs from December 31, 1959, to December 31, 1960.

In furtherance of the President's Food for Peace program, amendment of section 202 is requested to authorize broader use of grants for economic development. The principal effect of this amendment would be greater use of commodities to assist in the funding of works projects.

An additional amendment of section 203 is requested to permit payment of general average claims under title II. Such claims for loss or damage on part of a ship's cargo are distributed among all owners of cargo on the ship. Since commodities are donated for humanitarian purposes under title II, it is believed desirable that the United States pay these charges rather than the recipient country. Such claims are infrequent and involve relatively small amounts.

Enactment of the proposed legislation would result in no increase in employment or administrative costs in the fiscal year 1960. The cost of shipments recorded by CCC against the proposed authorizations in the fiscal year 1960 is estimated at about $50 million. Additional shipments with a cost of more than $1 billion are expected to be recorded during that year against previous authorizations.

A copy of these proposed amendments is being submitted to the Senate Committee on Foreign Relations at the request of Senator HUMPHREY.

The Bureau of the Budget advises that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. After the Agriculture Committee reported our bill, the Senator from Minnesota [Mr. HUMPHREY] in his capacity as a member of the Foreign Relations Committee held hearings on a bill similar to the existing law, Public Law 480, the Foreign Relations Committe reported a bill, paralleling existing law, except for the declaration of policy.

The Senator from Minnesota and other Members proposed to change the title of the bill to make it a Food for Peace program, instead of a surplus disposal program designed to develop trade in surplus agricultural commodities.

After Senator HUMPHREY's bill was reported to the Senate, the Senator from Minnesota—who, as I said, happens to be a member of the Foreign Relations Committee, as well as a member of the Committee on Agriculture and Forestry—requested that the Agriculture Committee consider certain amendments to the bill we previously reported. As chairman of the committee, I readily consented. The committee, by a narrow margin, voted out several amendments, which I understand will be offered by the distinguished Senator from Minnesota. In due time it will probably be my purpose to accept some of those amendments, and to oppose others.

Mr. President, Public Law 480 was enacted in 1954, and it was designed primarily to expand international trade, encourage economic development, pay U.S. obligations abroad, promote collective security, foster foreign policy, and relieve famine and need at home and abroad.

Title I of Public Law 480 provides for the sale of surplus agricultural commodities for foreign currencies.

The foreign currencies received in payment for commodities are deposited to the account of the United States overseas and are used for purposes authorized in section 104 of Public Law 480 and specified in the sales agreement. Several departments and agencies have responsibility for administering the

expenditure of these currencies. For example, the Department of Agriculture is concerned with the use of currencies for agricultural market development purposes; the International Cooperation Administration for currencies loaned back to importing countries for economic development purposes; and the Export-Import Bank of Washington for currencies loaned to private business firms.

As of June 30, 1959, agreements have been signed with foreign countries totaling $3.7 billion. Of this amount only about 1.4 percent has been programed for use in market development, while 8.3 percent has been programed for use in military procurement; 6.3 percent for grants for multitrade and economic development; 6 percent for loans to private enterprise; 27.4 percent for payment of U.S. obligations; 47.7 percent for loans to foreign governments; and 2.9 percent for other uses as specified under section 104. The actual amounts and percentages for each purpose by country can be found in table I, which I ask unanimous consent to have printed in the RECORD at this point.

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

TABLE I.—*Planned uses of foreign currency under title I, Public Law 480, agreements signed through June 30, 1959* [1]

[Amounts in million dollar equivalents at deposit rate of exchange]

Country	Total in agreements (market value including ocean transportation)	104(a) Market development	104(b) Purchase of strategic materials	104(c) Military procurement	104(d) Purchase of goods for other countries	104(e) Grants for multitrade and economic development	104(e) Loans to private enterprise	104(f) Payment of U.S. obligations [2]	104(g) Loans to foreign governments	104(h) International educational exchange	104(i) Translation and publication	104(j) Information and education
FISCAL YEAR 1959												
Argentina	33.0						8.2	8.3	16.5			
Ceylon	14.7					2.2	3.8	2.9	5.8			
China (Taiwan)	13.4			7.0			3.0	2.4	1.0			
Finland	4.0						1.0	3.0				
France	28.2				6.2		7.0	15.0				
Iceland	2.2							.4	1.8			
India	238.8					35.8	59.7	26.7	114.6			2.0
Indonesia	40.3					14.2	10.0	5.4	10.0			.7
Israel	38.3						9.5	9.6	19.2			
Korea	33.0			28.0				5.0				
Pakistan	85.9					12.9	12.9	23.4	36.2			.5
Poland	44.0							44.0				
Spain	109.0							59.7	49.1			.2
Turkey	34.7						5.2	12.2	17.0			.3
United Arab Republic	48.3						12.0	23.6	11.7	0.5		.5
Uruguay	12.4						3.0	2.6	6.3			.5
Yugoslavia	94.8					14.2		11.4	69.2			
Total agreements July 1, 1958, to June 30, 1959	[3] 875.0			35.0	6.2	79.3	135.3	255.6	358.4	.5		4.7
Total agreements through June 30, 1958	2,828.3	52.1		273.2	38.1	154.1	88.5	757.6	1,407.9	28.6	6.5	21.7
Total agreements through June 30, 1959	3,703.3	52.1		308.2	44.3	233.4	223.8	1,013.2	1,766.3	29.1	6.5	26.4
Uses as percent of total	100.0	1.4		8.3	1.2	6.3	6.0	27.4	47.7	.8	.2	.7

[1] Amounts shown are subject to adjustment when actual purchases and allocations have been made.

[2] In order to provide flexibility in the use of funds, agreements concluded July 1958 to June 1959 provide that a specified amount of foreign currency proceeds may be used under various U.S. use categories including the new currency uses which are limited to amounts as may be specified in appropriation acts. Distribution among these uses will be made when allocations have been completed.

[3] Amounts shown in this column may differ from amounts in table I which reflects purchase authorization transactions.

Mr. ELLENDER. Mr. President, not all of these moneys have actually been allocated by the Bureau of the Budget. As a matter of fact only about $3 billion has actually been allocated. A breakdown of the amount and percentage by use of funds actually allocated can be found in table II, which I ask unanimous consent to have incorporated as a part of my remarks at this point.

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

TABLE II.—*Actually allocated by the Budget Bureau as of Mar. 3, 1959*

	Millions of dollars	Percentage
104(a). Market development	33.8	1.1
104(b). Purchase of strategic materials	0	
104(c). Military procurement	244.5	8.2
104(d). Purchase of goods for other countries	35.7	1.2
104(e). Grants for multitrade and economic development	211.8	7.1
104(e). Loans to private enterprise	194.1	6.5
104(f). Payment of U.S. obligations	510.4	17.1
104(g). Loans to foreign governments	1,719.5	57.6
104(h). International educational exchange	21.9	.7

TABLE II.—*Actually allocated by the Budget Bureau as of Mar. 3, 1959*—Continued

	Millions of dollars	Percentage
104(i). Translation and publication	4.1	.2
104(j). Information and education	9.0	.3
104(k). Scientific activities	.3	(1)
Total	2,985.1	100.0

[1] Less than 1/10 of 1 percent.

Mr. ELLENDER. Mr. President, the committee was very much interested in the amount of funds being used for agricultural market development, and pointed out in the report that it is the intent of Congress that foreign currencies be used to the maximum extent possible for this purpose.

TITLE I

Under title I, agreements signed since the beginning of the program provide for the shipment of 840 million bushels of wheat, 4 million bales of cotton, 33.5 million bags of rice, 3.3 billion pounds of vegetable oil, 210 million bushels of feed grains, 250 million pounds of tobacco, 120 million pounds of meat, 180 million pounds of lard, 285 million pounds of dairy products, 175 million pounds of fruit and vegetables, as well as other commodities.

In 1955 and 1956, the first full year of operation of title I, foreign currency shipments totaled $427 million at export market value, or 12 percent of total U.S. agricultural exports. During 1956 and 1957 title I shipments amounted to $900 million, nearly 20 percent of the total; during 1957 and 1958, about $650 million, approximately 16 percent; and during 1958 and 1959, $725 million, about 20 percent.

For certain commodities the program has been particularly important. For example, more than half the total U.S. wheat exports during the past fiscal year, or about 230 million bushels, moved under title I; also, about 750 million pounds of soybean oil and cottonseed oil, or about 65 percent of total edible oil exports; about one-third of rice exports; and one-fifth of cotton shipments.

The value and quantity of commodities which have been programed under agreements signed during fiscal year 1959, and cumulative totals, are shown in tables III and IV, which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

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

TABLE III.—*Commodity composition of programs under title I, Public Law 480 agreements signed through June 30, 1959*

[Millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transportation [1]	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Argentina			4.6				25.6		30.2	2.8	33.0	35.6
Ceylon	4.2		8.3						12.5	2.2	14.7	21.8
China (Taiwan)	7.6				2.6	1.0	.7		11.9	1.5	13.4	17.5
Finland				1.0	2.8			0.1	3.9	.1	4.0	4.2
France				24.0	3.5				27.5	.8	28.3	44.3
Iceland	.6	0.5	.1	.4	.4		.1		2.1	.2	2.3	2.8
India	191.3	4.1							195.4	45.2	240.6	336.7
Indonesia	5.0		7.2	23.0		2.0			37.2	3.1	40.3	58.3
Israel	11.5	15.7	.5	1.0	.2	1.5	2.4	.3	33.1	5.2	38.3	49.5
Korea	20.3	.5		7.5					28.3	4.7	33.0	48.3
Pakistan	53.7		7.2	[2] 1.7		.2	10.4		73.2	12.7	85.9	117.2
Poland	14.1	11.6		8.8		.8	4.7		40.0	4.0	44.0	58.3
Spain		11.5		17.0	8.8	.5	62.7	2.0	102.5	6.5	109.0	115.3
Turkey			.7			.4	30.2	.5	31.8	2.9	34.7	35.6
United Arab Republic	21.5	3.3	5.3		9.0	.5	3.2	.5	43.3	5.0	48.3	62.3
Uruguay		2.2		3.5	6.1				11.8	.7	12.5	13.5
Yugoslavia	55.8			18.2			9.9	1.8	85.7	10.6	96.3	134.7
Total agreements July 1, 1958, to June 30, 1959	385.6	[3] 49.4	33.9	106.1	33.4	[4] 6.9	[5] 149.9	[6] 5.2	770.4	108.2	878.6	1,155.9
Total agreements through June 30, 1958	1,024.7	197.9	179.3	510.2	147.9	41.3	376.3	59.5	2,537.1	285.5	2,822.6	3,922.6
Total agreements through June 30, 1959	1,410.3	247.3	213.2	616.3	181.3	48.2	526.2	64.7	3,307.5	393.7	3,701.2	5,078.5

[1] Includes only ocean transportation to be financed by CCC.
[2] Extra-long staple.
[3] See the following:

	Million dollars
Corn	16.6
Grain sorghums	10.8
Barley	22.0
Total	49.4

[4] See the following:

	Million dollars
Dry whole milk	0.4
Nonfat dry milk	5.2
Butter oil	1.3
Total	6.9

[5] Cottonseed and/or soybean oil.
[6] See the following:

	Million dollars
Finland: Fresh lemons	0.6
Israel, Turkey and Yugoslavia: Dry edible beans	2.5
Spain:	
Dry edible beans	1.5
Poultry	.1
UAR: Poultry	.5
Total	5.2

TABLE IV.—*Approximate quantities of commodities under title I, Public Law 480 agreements signed through June 30, 1959*

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Poultry	Dry edible beans	Fruits and vegetables	Meat	Hay and pasture seeds
	1,000 bushels	1,000 bushels	1,000 cwt.	1,000 bales	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 cwt.	1,000 pounds	1,000 pounds	1,000 cwt.
Argentina			772				165,347					
Ceylon	2,688		1,366									
China (Taiwan)	4,596				3,059	4,509	4,965					
Finland				5.9	4,385					1,102		
France				200.0	5,333							
Iceland	314	325	17	2.4	400		714					
India	113,106	3,075										
Indonesia	3,201		1,200	153.3		28,571						
Israel	6,726	13,768	88	6.0	264	16,884	18,106		41			
Korea	12,030	418		65.2								
Pakistan	31,232		1,200	[1] 5.0		2,143	68,162					
Poland	8,151	9,824		70.4		11,429	33,069					
Spain		9,484		103.0	12,572	2,400	534,485	1,787	206			
Turkey			110			3,418	207,947		66			
United Arab Republic	12,590	2,540	833		10,588	1,323	26,667	1,323				
Uruguay		1,768		20.6	6,778							
Yugoslavia	33,304			125.5			79,200		235			
Total agreements, July 1, 1958, to June 30, 1959	227,938	[2] 41,202	5,586	757.3	43,379	[3] 70,677	[4] 1 138,662	3,110	548	1,102		
Total agreements through June 30, 1958	614,697	168,852	27,879	3,228.5	206,721	214,849	2,492,608	14,300	43	175,057	120,872	10
Total agreements through June 30, 1959	842,635	210,054	33,465	3,985.8	250,100	285,526	3,631,270	17,410	591	176,159	120,872	10

[1] Extra long staple.
[2] See the following:

	Bushels
Corn	12,507,000
Grain sorghums	9,739,000
Barley	18,956,000
Total	41,202,000

[3] See the following:

	Pounds
Dry whole milk	740,000
Nonfat dry milk	67,638,000
Butter oil	2,299,000
Total	70,677,000

[4] Cottonseed and/or soybean oil.

TITLE II

Mr. ELLENDER. Mr. President, title II of Public Law 480, at the present time, authorizes the use of up to $800 million of commodities held in stock by Commodity Credit Corporation to help friendly foreign people to meet famine or other urgent or extraordinary relief requirements. Payment of ocean-freight costs for these commodities as well as donations of surplus foods for use abroad under title III of the act, may be financed from this authorization. This authorization is increased by $300 million by the bill under consideration.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator has expired.

Mr. ELLENDER. I yield myself 1 more minute on the bill.

As of June 30, 1959, a total of $546 million has been obligated, which includes $251 million for bread grains, $51 million for course grains, $32 million for fats and oils, $4 million for dry beans, $57 million for dairy products, $38 million for rice, $16 million for cotton, and $97 million for ocean transportation.

Mr. President, I firmly believe that the bill as reported from the committee should be passed as written and as presented.

Mr. HUMPHREY. Mr. President, first, I yield myself 10 minutes on the bill, and following that I shall offer an amendment.

The bill before the Senate, as the distinguished chairman of the committee has pointed out, is S. 1748. That bill does but one thing: It merely extends for 1 more year Public Law 480, with the existing provisions being maintained for an additional period of 12 months.

Reference has been made to S. 1711, which is on the calendar, and which was reported by the Senate Committee on Foreign Relations. That particular bill, known as the food-for-peace bill, was introduced by me and a number of other Senators.

Hearings were held upon this particular bill in the Senate Committee on Foreign Relations. Members of the Senate may be interested to know why the Senate Committee on Foreign Relations should interest itself in matters relating to the use of our food and fiber. The interest and the jurisdiction rested upon the fact that the currencies which are generated as a result of the sales of surplus food and fiber under title I of Public Law 480 apply to the objectives of American foreign policy.

In other words, under title I, when a certain quantity of wheat is sold to a country which is in need of the wheat supplies, but which is unable to purchase such wheat with dollars, although it can purchase the wheat with its own native currency, the currency which is generated as the result of that transaction is deposited to the account of the U.S. Treasury. That currency is then made available under the terms of Public Law 480 for a number of purposes.

One of the purposes under Public Law 480 is, of course, trade development. I think more needs to be done in that area, and I have encouraged such action.

Another purpose for which these currencies may be utilized is for the payment of costs of the U.S. Government operations in the area where the currencies are usable.

A third purpose is to provide for economic development in the country where the currencies have been obtained. This is accomplished by the purchasing country entering into an agreement with the United States for long-term loans of available currencies as the result of the sales of agricultural commodities. Those loans are repayable with interest to the Treasury of the United States. Those loans are currently being repaid with interest. The loans may be repaid either in the form of soft currencies of the country involved, or in terms of dollars, whatever the agreement specifies.

A fourth purpose relates to the uses of funds available under Public Law 480 transactions spelled out in amendments to Public Law 480, particularly under section 104. Those include not only economic development but also education, health, nutrition and sanitation. There are a number of things for which money can be either loaned or granted.

I have not listed all the purposes or the objectives of Public Law 480, but I have touched upon the main ones.

What is the issue at stake? The distinguished chairman says that Public Law 480 is essentially a surplus disposal program. The Senator is correct in the fact that it is a program designed to utilize surplus commodities. But I say to my colleagues of the Senate that this program should not be tagged as a surplus disposal program. Rather, it should be considered a constructive program for the use of food and fiber to further the objectives of American foreign policy, to relieve human suffering and want, and to make a contribution to the betterment of mankind at home and abroad. In other words, it is a program of food for peace, food for economic development, food to improve the living conditions of people in the countries as to which we have deep concern regarding the political and economic development of those countries. Above all, it is a program for the well-being of mankind.

Some of the amendments which will be proposed today have as their purpose the cloaking of Public Law 480 in the garments of the fulfillment of American foreign policy objectives of peace, freedom, social justice, and economic development. Why should we not use our abundance of food for economic development? Why should we not use our abundance of food for purposes of health and education?

Of course, we are currently doing that. But we seem to do it with a feeling of shame, rather than embracing what we are doing and saying, "This is its purpose. The purpose is not merely to dispose of surplus food." If that were the purpose, surely we would not seek simply a 1-year extension, because there is not anyone in this body who can accurately predict there will be a balance between production and consumption in the foreseeable future. The fact is there is no possible way, that anyone in this country has been able to design, to limit production of agricultural commodities to the point where production will meet only normal exports and domestic consumption. We are going to have an abundance of food and fiber for the foreseeable future.

The question is, What are we going to do about the situation? Are we going to continue to pay $1½ million per day storage costs? I want my colleagues to know that we are paying $1½ million a day for storage, in the United States, for this food. And some of it rots. Or are we going to use, instead, the same amount of money for the purpose of seeing to it that people obtain the food for health, for education, for improvement of diets, or for economic development of the country receiving the food?

Mr. President, there has been quite an argument as to whether we should emphasize the words "food for peace" in Public Law 480. Indeed, I think we should. That does not mean there will be no emphasis upon international trade. Indeed, there is an emphasis upon international trade.

The President in his state of the Union message this year, outlined what he called a program of works for peace. One of them was health for peace. One was education. One was food. It seems to me the time is at hand to take a good look at Public Law 480, which, by the way, will be extended under the terms of either bill and will be amended only. We should call the program what it really is, a dramatic demonstration on the part of the American people of the use of food and fiber for constructive purposes, not merely for relieving ourselves of surpluses.

If all we want to do is relieve ourselves of surpluses, there are other ways of doing it. We can bury them. We can destroy them. I hope we never will, but it could be done.

We ought to look upon this abundance of food and fiber as a blessing. We ought to put it to work. We ought to put it to work abroad and at home, in terms of helping humankind, in an exercise of compassion, or helping countries which are our friends and neighbors by providing economic assistance.

What do our amendments propose? The first amendment proposes to make this a 3-year program instead of a 1-year program. I say there is no defense for making this a 1-year program, except that it will make it necessary to do it all over again next year. There has not been a single study which has ever been made of this program by any group which did not recommend at least a 5-year program, instead of a 1-year program.

I repeat, no study has been made of Public Law 480 by anyone, by either a public or private group, which has not recommended a long-term program.

I am happy to note that the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], only a couple of months ago proposed on this floor that Public Law 480 be made a 3-year program.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. HUMPHREY. I congratulate the Senator from Illinois for his proposal. The record reveals, according to the minority leader, that this proposal had the support of the administration. It is an interesting thing to me that the administration can tell the minority leader it is in favor of a 3-year extension of Public Law 480 and then tell the committee it is in favor of only a 1-year extension of the law.

Frankly, I do not believe the administration is deeply concerned about this

matter. I think the administration would readily accept a 3-year extension of the law, if it provides for sound programing and better administration.

HOUSING ACT OF 1959—VETO MESSAGE (S. DOC. NO. 52)

Mr. JOHNSON of Texas. Mr. President will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Will it suit the convenience of the Senator from Minnesota if we have the housing veto message read and then have an hour of debate on it, and then vote to override the veto?

Mr. HUMPHREY. If I hear correctly, a veto message on the housing bill has been received. I may say to the majority leader it would not only suit my convenience, but I wish to join in the denunciation of such a veto.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the housing veto message be read, and that following its reading the time for debate be equally divided to be controlled by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Alabama [Mr. SPARKMAN] to the extent of 1 hour.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection? The Chair hears none, and it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	Gore	Morse
Anderson	Green	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Murray
Bible	Hayden	Muskie
Bridges	Hickenlooper	Neuberger
Bush	Hill	Pastore
Butler	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Cannon	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S.C.	Schoeppel
Case, N.J.	Jordan	Scott
Chavez	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kerr	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Dodd	Long, Hawaii	Thurmond
Douglas	Long, La.	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Magnuson	Young, Ohio
Fong	Mansfield	
Frear	Martin	

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). A quorum is present. The clerk will read the veto message from the President of the United States.

The legislative clerk read as follows:

To the Senate of the United States:

I return herewith, without my approval, S. 2539, "an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes."

On July 7, I returned an earlier housing bill, S. 57, to the Senate and set forth in an accompanying message of disapproval many of that bill's objectionable features. Although some of these features have been removed in S. 2539, and some partially corrected, in its most important provisions S. 2539 represents little overall improvement over S. 57. In one respect—the setting of an expiration date next fall on the new loan insurance authorization of the Federal Housing Administration, with potentially serious disruptive effects on the building industry—S. 2539 is worse than the earlier housing bill.

Clearly this bill, like its predecessor, goes too far. It calls for the spending of more than 1¾ billion of taxpayers' dollars for housing and related programs over and above the vast expenditures to which the Federal Government is already committed for these purposes. The history of the bill indicates that the Congress intends it to be a 1-year bill. So regarded, S. 2539 calls for Federal spending at virtually the same rate as that provided for by S. 57—a rate far in excess of my recommendations to the Congress.

At a time when critical national needs heavily burden Federal finances, this bill would start two new programs, certain to cost huge sums in the future, under which taxpayers' money would be loaned, at subsidized interest rates, for purposes that could be better met by other methods.

One of the new programs would have the Federal Government make direct loans to colleges for classrooms and related facilities and equipment by methods that would tend to displace the investment of private funds in these projects. This is Federal aid to education in a highly objectionable form.

The other new program would have the Federal Government make direct loans for housing for elderly persons despite the fact that a program is already in operation and working well, at no cost to the taxpayer, and under which private loans for this same purpose are guaranteed by the Federal Government.

Among its other objectionable features, this bill would authorize 37,000 new units of public housing while many thousands of previously authorized units have not been completed or occupied. These, too, would be subsidized, on a basis that would cost the taxpayer many hundreds of millions of dollars over the next 40 years. The bill would also authorize $650 million of Federal grants to cities for urban renewal projects. This sum considerably exceeds the first-year amount recommended by the administration for these purposes.

This is not the kind of housing legislation that is needed at this time. It does not help the housing industry for the Federal Government to adopt methods that in these times would increase inflationary pressures in our economy and thereby discourage the thrift on which home financing is heavily dependent. Nor does it make sense to purport to assist any group of citizens, least of all elderly persons living on fixed retirement incomes, by legislation that tends further to increase the cost of living.

There is still time for the Congress to enact a sound housing bill, and I once again urge that it do so. These things can be and ought to be done: (1) remove the ceiling on FHA mortgage insurance authority; (2) extend the FHA program for insurance of property improvement loans; (3) enact reasonable authorizations for urban renewal grants and college housing loans and adjust the interest rate on the latter; (4) extend the voluntary home mortgage credit program; and (5) adjust the statutory interest rate ceilings governing mortgages insured under FHA's regular rental and cooperative housing programs.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 3, 1959.*

The Senate proceeded to reconsider the bill (S. 2539), to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Under the unanimous-consent agreement 1 hour is allotted on the veto message, to be equally divided.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, I suppose it is needless for me to say that I regret exceedingly to see this action taken by the President of the United States. I do not question his right to exercise the veto power, but I do believe that it was wrongfully done in this case, and I wish very briefly to point out some of the statements in the veto message which do not give a clear picture of the situation.

In the first place, the President says that the bill calls for the spending of more than $1¾ billion. That statement needs considerable explanation, much more than I can give in the time I have at my disposal. However, that figure includes all the public housing over the next 40 years. It includes urban renewal, for which the money will be spent over a period of 15 or 20 years. It includes all the loans that will be advanced under various programs and paid back with a profitmaking rate of interest to the Government of the United States.

The President refers to the college classroom provision as being particularly objectionable, and says that it is Federal aid to education in a highly objectionable form.

We might have an explanation as to why it is objectionable—certainly not so far as the amount is concerned, because his own program calls for $500 million in grants to private colleges, whereas the bill calls for loans to both tax-supported and private colleges, in the amount of $50 million, to be paid back at a rate of interest which actually would make money for the Government of the United States.

The President refers to the public housing units. With respect to public housing units, the figures we took are the figures which the administration officials themselves gave us as to the number needed in order to meet the backlog that had been built up. I admit that the President makes a little change from the veto message on S. 57 when he talks about those that are unbuilt. He says they have not been finished and occupied; but remember, they are allocated.

Again, I remind the Senate that on the one hand he is urging us to enact legislation that will speed along the Interstate Highway System; yet no town or city can afford to take the Interstate Highway System through it unless it has the means of assuring the Federal Government that it has a place in which to put any family that is displaced by reason of the highway program, and all other Government programs, so far as that is concerned. That is the principal use to which public housing units are put these days.

One word with reference to the expense of this program. So far as the 1960 budget is concerned, the bill would have a minimal effect upon it, or even upon the 1961 or the 1962 budget. We worked out a table, and placed it in the RECORD when the bill was before the Senate before, which would cover the next 10 years. To read the veto message, one would think the bill would have a terrific impact upon the budget immediately. The impact which the program would have on the 1960 budget is less than the loss the Government willingly and willfully would sustain in transferring FNMA mortgages for the benefit of the bondholders in a special class which has been proposed by the President, and against which the Senate voted the other day. The administration blandly talks about sustaining a loss of as much as $50 million in that category. That will not hurt the budget, to listen to the administration. But the $24 million proposed in this bill would, they say, destroy the budget of the Nation. That simply does not make sense.

The President speaks about urban renewal being a 1-year program. It cannot be a 1-year program, because we have already lost a year and a half. We have had no urban renewal, so far as that program is concerned, over the last year and a half. We must have this program.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield me 2 more minutes?

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Alabama.

Mr. SPARKMAN. I shall not go into further detail about the veto message. This is the sixth time the housing bill has been before the Senate. This will be the sixth time the Senate will have acted upon it.

I recognize, and I have said so on the floor many times, the constitutional right of the President of the United States to exercise the veto power. But I also feel a great responsibility as a Member of the Senate, as a member of a legislating body. Under the Constitution, it is the function of Congress to adopt the legislation which it believes should be submitted to the President.

Our subcommittee and our full committee have worked hard. We worked hard on the bill to meet the President more than half way. I submit we have met him more than half way.

In all frankness, I do not know what the position of the leadership will be in the event the Senate fails to override the President's veto, but I feel a sense of absolute futility with reference to going on. So far as I am concerned, I think we might as well quit if we do not succeed in overriding the veto. Let the country see what it will be like not to have a housing program for a few months. I think perhaps it would give us a different outlook.

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

Mr. SPARKMAN. I yield.

Mr. ANDERSON. Why do we keep putting the provision for classrooms back into the housing bill? That is one thing to which the President objects.

Mr. SPARKMAN. I made this statement on the Senate floor previously; I renew it today. We feel there is a great need for such a program. If the Senator from New Mexico would read the hearings before our committee, he would see, I believe, what the need is.

As I said on the Senate floor when the bill was under consideration, the administration's answer to us is that they have their own program in another committee, and that committee is working on the program. We all know it will not be acted on this year. Many of us doubt that it will ever be enacted. But I have said before that if such a program is enacted, and if it makes provision for the flood of students who are beginning to enter universities and colleges, I would be willing to see the program we have proposed simply phased into the other program. We do not want duplicate programs. But classrooms are needed, and are needed now. We are providing housing for students. What good is housing without classrooms?

Mr. President, I earnestly hope the Senate will vote to override the veto.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

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

Mr. ANDERSON. Mr. President, my question is: If we keep bumping into a stone wall, why do we continue to bump into it? Classrooms are not housing. Why continue to include them in a bill any more than we would include mercantile stores downtown? I voted against the classroom provision because I wanted housing and not an issue. I think that if we want a housing program, we should remove the provisions for classrooms and housing for the elderly from such a bill. Why include them again?

The Senator from Alabama says he feels a sense of futility. Why not take out of the bill classrooms, which obviously are not housing, and try to pass an acceptable bill? I do not object to the 37,000 units. I would vote for them. But why do we continue to travel the same road we have traveled so unsuccessfully so many times?

Mr. SPARKMAN. I believe that if the Senator from New Mexico would read the veto message, he would arrive at the conclusion that even leaving classrooms out—and that was proposed in our committee, but the committee voted against it——

Mr. ANDERSON. But very closely.

Mr. SPARKMAN. Yes. That matter was proposed on the Senate floor, and the Senate voted against it by a substantial margin.

Mr. ANDERSON. I do not know how substantially, but by a large enough margin to cause a veto.

Mr. SPARKMAN. But the House, with that provision in it, and with objection being made to it, voted for the bill by a margin of 3 to 1.

This is not the first time that facilities of a similar nature have been included in a bill. Housing bills have always—at least for a good many years—contained a section providing for community facilities.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I do not think there should be any surprise because the President vetoed the housing bill. The indications were very clear during the debate that unless certain amendments were adopted, and which were offered from this side, it would likely invite another veto of the housing bill. I deplore the fact that the President has found it necessary to take such action, but I cannot confess to any surprise that he has done so, because I thought he made it quite clear in his original veto message what the objections were as he saw them, what the needs for housing were, as he saw them, and he made his position very clear, indeed.

I thought, while we were working on the new bill in the subcommittee that we were making some headway; but as we came before the full committee it became clear to me that we had been outfoxed; that we did not have the kind of bill I thought we were getting.

As the President has pointed out in the veto message, we ended with a bill which is in effect a 1-year bill, but a 1-year bill providing amounts which should be spread over several years.

This is true of the urban renewal features of the bill, and it is true of the bill in general, because it puts a termination of the FHA authority to do business 1 year from next October. Therefore, as the proponents of the bill have said in other language, it gives them a gun to point right at the administration, to de-

mand more and more programs in addition to existing programs, with the threat that they will not extend the authority of the FHA.

The President has pointed out again that he objects to two new programs. Perhaps they are not big in the amount of $50 million each at the outset. But every Senator has seen such programs start with small amounts and grow, grow, and grow.

Mr. LAUSCHE. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator from Connecticut will suspend until the Senate is in order.

The Senator may proceed.

Mr. BUSH. I thank the Chair. The housing program for elderly persons under the FHA insurance program is going very well. It was pointed out in the debate that if the direct loan program were adopted, it would simply mean switching the business which is scheduled for FHA insurance into a direct loan program, thus destroying a program which is progressing very well, and putting an increasing burden on the Federal Government merely to do exactly the same thing. So the President objected very strongly to that item.

On the classroom construction proposal, the President again objected strongly. He pointed out clearly that this is one of the most objectionable features of the bill. It does not belong, as I believe I heard the Senator from New Mexico say across the aisle a little while ago, in a housing bill.

This is an aid to education program; and such a program belongs in an education bill relating to the Department of Health, Education, and Welfare, not in a housing bill.

Mr. President, an effort has been made to make it appear that this administration is not interested in housing. However, nothing could be further from the truth. The President has repeatedly sent to Congress, both this year and in prior years, educational programs adequate to meet the needs of the Nation.

After all, however, the President has to consider all the other needs of the Nation, including the national defense needs and the needs in connection with the operation of the various governmental departments and agencies. He has to consider all of them; he cannot play favorites.

The PRESIDING OFFICER. The time yielded to the Senator from Connecticut has expired.

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 additional minutes.

Mr. BUSH. So, Mr. President, the President is the one who has been obliged to balance one need against another. I believe that in his customarily deliberate and careful way, and certainly with the best interests of the people at heart, and I believe that today the people show greater faith and affection for President Eisenhower than they have ever before had—the President has come forward with programs which, in his opinion, and in the light of all he sees by means of the great agencies which are under his direction, are proper, adequate, and liberal programs for housing in its various aspects.

As an evidence of that good faith, the President has stated at the conclusion of his veto message, a copy of which is now on the desk of each Senator, that there is still time for Congress to enact a sound housing bill; and the President says "and I once again urge that it do so."

The President points out what a good housing bill should contain.

Mr. President, certainly there is ample time for our Banking and Currency Committee to bring to us, next week, a housing bill which will meet the housing needs of the Nation at this time and will insure signature by the President.

In his veto message, the President calls for removal of the ceiling on FHA mortgage insurance authority; he calls for extension of the FHA program for insurance of property improvement loans; he calls for the enactment of reasonable authorizations for urban renewal grants and college housing loans, and adjustment of the interest rate on the latter.

Heretofore, the President has made clear what he considers reasonable amounts in those connections.

In the veto message, the President also states that the Congress should extend the voluntary home mortgage credit program, and should adjust the statutory interest rate ceilings governing mortgages insured under the FHA's regular rental and cooperative housing programs.

The PRESIDING OFFICER. The additional time yielded to the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, may I have 1 more minute?

Mr. DIRKSEN. Mr. President, I yield 1 additional minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. BUSH. Certainly, Mr. President, that does not seem to me a cause for a sense of futility, as stated by my dear friend, the Senator from Alabama. I do not feel any sense of futility about this matter. I want a housing bill enacted; and I want it just as much as the Senator from Alabama does. But I want one which which the country can live and which the President will sign. We can have such a bill; and there is no reason for any sense of futility.

Mr. President, I hope Senators will vote to sustain the President's veto, and that the Senate may have a chance to pass a bill in accordance with the recommendations the President has so wisely and soundly made today.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The Senator from Indiana is recognized for 3 minutes.

Mr. CAPEHART. Mr. President, I have worried and fretted with housing bills for 15 years. I have worried and fretted with this one since last January. I am the ranking Republican member of the Banking and Currency Committee. I was not consulted by the President or by any of his staff in connection with the veto. They did not ask for my opinion of it; and, therefore, I did not give them my opinion.

I wish to make two points only:

First, if we had included the provisions for classrooms in the regular college housing section—in other words, if we had made provision for dormitories, classrooms, and so forth, and had not included a new section—there would not have been any argument at all about the classroom provisions, because for years we have helped build dormitories.

For years, a section in regard to housing for the elderly has been included. The Government guarantees the mortgages 100 percent, in the case of nonprofit oganizations.

Here, again, if the new section on housing for the elderly to which everyone is objecting had been made a part of the old section, and if we had simply provided that in certain instances the Federal Government would lend the money, this difficulty would have been avoided.

In his veto message, the President states that the bill would authorize 37,000 new units of public housing, which he says would be subsidized on a basis which would cost the taxpayers many hundreds of millions of dollars during the next 40 years. But if we had included provisions for housing for the elderly in the old section, and if we had simply provided that the Government could lend up to $50 million, there would not be any argument at all about the matter, in my opinion.

As regards the authorization of 37,000 new units of public housing, let me say that from the very beginning I have been opposed to public housing. But I was the author of the 1954 bill on urban renewal; and we wrote into that bill—and it is still the law—a provision that slums in which the poor people of the Nation live cannot be torn down unless other accommodations for those people are available. The other accommodations do not necessarily have to be public housing; they can be old houses or new houses. But at least some adequate housing must be made available for them.

At the moment, anyone who can show that such provision can be made except by the provision of public housing is wiser than I am.

If these three things had been handled in slightly different ways, we would not now be talking about them.

As I have said, I was not consulted at all about them.

I have always tried to be honest, fair, and sincere in dealing with these subjects, and I have not gotten angry with others. But certainly we should know the facts.

The PRESIDING OFFICER. The time yielded to the Senator from Indiana has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. Mr. President, I am disappointed that the President has seen fit again to veto the housing bill, as he did before.

The President has acted by way of accommodation with the Congress in instances very analogous to this one—for instance, in connection with the veterans' pension bill and in connection with the railroad retirement bill; and he, himself, has sponsored the idea that legislation is a compromise.

I think we have gone a long way in trying to meet the views set forth in the President's first veto message.

Therefore, I am quite disappointed that the President has seen fit to veto the second housing bill, as well.

Mr. President, on the merits, I think there are two difficulties—and perhaps they represent a very deep difference in outlook: Housing is not inflationary. When housing is built—and all of this bill relates to the construction of housing—we add to the total wealth of the Nation. It is essential that we understand that although what we owe is important, what we have is equally important.

Therefore, Mr. President, when we add to the stock of housing, we increase our assets, because we then bring about the participation of others, those outside the Government, far more than we increase our liabilities.

In the second place, Mr. President, I cannot be a party to a housing bill which is not balanced. I join in the very fine statement made by my colleague, the Senator from Indiana [Mr. CAPEHART]—namely, that it is impossible to remove slums in which poor families live, without at the same time providing for their housing needs.

The PRESIDING OFFICER. The time yielded to the Senator from New York has expired.

Mr. JAVITS. Mr. President, may I have an additional minute?

Mr. DIRKSEN. Mr. President, I yield an additional minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 more minute.

Mr. JAVITS. Mr. President, finally, let me say that today approximately 70 percent to 80 percent of the people of our country are living in urban areas. We think nothing of voting for the expenditure of billions of dollars to help those who live in rural areas. But when it comes to voting for the appropriation of a sum far smaller than that, to help in the most intimate, personal way to fructify the life of those who live in the cities, we suddenly become very economical and money conscious. It simply is not just.

So, Mr. President, I deeply believe that, even with all due deference and respect for the President, the Senate should vote to override the veto.

The PRESIDING OFFICER. The additional time yielded to the Senator from New York has expired.

Mr. HUMPHREY. Mr. President, will the Senator yield me 3 minutes?

Mr. JOHNSON of Texas. I yield the Senator from Minnesota 3 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, the message that has just been released by the White House, giving the President's veto and the alleged reasons can be answered very simply. I wish that our President would remember that he is President not General Eisenhower. This is not the "Crusade in Europe" where unconditional surrender by the enemy was the order of the day. We are not enemies. We are citizens in the same Republic, and we are a coequal branch of Government having a responsibility here in this body to legislate to the best of our ability and our judgment. Yet, the President demands unconditional surrender from the Congress.

This housing bill has been up the hill, down the hill, around the hill, and over the hill, in an effort to accommodate an administration that seeks to have only one kind of legislation—the kind it wants. Maybe we should adjourn and just let the President write the legislation—Government by Executive order and edict.

It might not be a bad idea, before Mr. Khrushchev arrives, to let the people of the world know that the Congress in the United States has a little something to say about the policies of Government. I realize the Russian visitor pays little or no attention to the will of congresses or parliaments. I hope we are not getting into a similar pattern in this country. The President insists that the Congress be not only a rubberstamp, but a subservient body bending to Executive dictation. Apparently the Bureau of the Budget, the right arm of the Presidential Office, has an insight into the Nation's problems that far exceeds the combined individual and collective wisdom of both Houses of Congress. The number of vetoes would indicate that the majority position is to be brushed aside. Minority rule has superseded the accepted principle of majority rule.

Two items among others that are cited as reasons for the veto are two of the best reasons why the bill should be retained and the veto overridden. First, is housing for the elderly. This administration lacks the sense of social conscience to do something about the problems of the elderly. The administration loves to talk about the elderly, but when we suggest a program of action for the elderly, the administration says, "Stop. Remember the budget." Well, elderly people have budget problems, too, and the private programs for housing for the elderly has not been the phenomenal success the administration claims. Direct housing loans are needed because this is a particular type of housing for a particular kind of clientele. It is more difficult to obtain financing for housing for the elderly than for ordinary FHA housing.

Secondly, the President says he does not approve the bill because it involves Federal aid to education. Some of our colleagues said that it would have been better to omit this section on the basis of lack of relevancy to housing programs.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. May I have 1 additional minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 additional minute.

Mr. HUMPHREY. The administration has had many conferences, including the White House Conference on Education recommending Federal aid to education. This is the same administration which, after sputnik, said we must do something about our colleges and higher education and that we must begin to meet this problem with improved facilities, including more and better classrooms. Well, this housing bill does just that. It provides loans for classroom facilities.

Is there any Member of this body who does not know that there is a great shortage of classroom space in our colleges? The bill does not provide for a gift. It provides for loans. The bill provides for loans to colleges and universities so that they may build classrooms.

Finally, it gets a little ridiculous to be told when a foreign aid bill—a program which I support—comes before the Congress, that we are admonished by the President not to cut a dime of it. We are told that if we do, we shall jeopardize the security of the country. But everytime there is a rivers and harbors bill, a REA bill, a farm bill, a housing bill—everytime there is a bill for the good and welfare of the people, and the prosperity of the country—and there can be no foreign aid without this country's great productivity and prosperity—everytime there is a bill to aid this country, if it does not meet the rigid criteria and prejudices of the Bureau of the Budget, down it goes. We are given one alternative—unconditional surrender. I refuse to surrender. I think we ought to override the veto. I shall vote to do so.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, when this bill was under consideration, the Senator from Connecticut and the Senator from Utah tried their level best to point out to the Senate that there were five items in the bill to which the President definitely objected.

The Senator from Utah pointed out that the committee partially cured one by its amendment to the FHA deadline, and the Senate itself cured another by adopting the amendment I suggested, knocking out the mandatory purchase of Wherry housing.

There were two left which have been referred to by the President as reasons for his veto, one of which we certainly could have handled. We almost did handle it. That was the proposal that the funds in the bill for college classrooms be added to the amount authorized for college housing, on the very

simple theory that if the colleges had that much more money to spend for housing, they could use funds of their own, which otherwise might have been spent for housing, for classrooms.

That particular amendment, offered in two forms, got 40 votes in one case and 41 votes in the other. A few more votes might have prevented the veto.

I still think it was a serious mistake to insist on forcing the President to accept in a housing bill the proposal for classrooms.

The President has a program to assist colleges to get facilities. I am sure we shall be voting on the question again before we get through next year, if not this year; but this reminds me of another comment I made during the debate, which was that this program, which was originally instituted to help private individuals buy housing for their own purposes, has now become a program to set up institutions of one kind or another—public housing, urban renewal programs, college housing, housing for the elderly. The original purpose of the bill has largely been forgotten, if, in fact, it has not been made a hostage in order that those who are interested in developing the institutional aspects may have a leverage to apply on any administration that tries to continue, even at the tremendously expanded rate, the original program of making it possible for single families to acquire housing in which they can live.

The President sends the bill back to us now because we did not take out the proposal for classrooms.

The other chief objection he makes is to the proposal for direct loans for housing for the elderly. This veto message is being taken up so quickly that the Senator from Utah has not been able to examine into the record to review the figures which, as he remembers them, plainly show that the voluntary program, the program of Federal insurance of private funds to be used to build housing for the elderly, has been moving on at a very satisfactory rate.

The Senator from Utah now has these figures available. There were 56 applications.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. BENNETT. May I inquire if the Senator will yield me more time?

Mr. DIRKSEN. Mr. President, I yield 2 additional minutes to the Senator.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 additional minutes.

Mr. BENNETT. Under section 207 of the National Housing Act, there have been to June 30, 1959, 56 applications received totaling more than $55½ million and representing 6,262 units of rental housing specially designed for the elderly. Forty of these have been committed at $35 million representing 4,036 units. Already 22 at $23 million representing 2,686 units have been insured. Twenty-three States are represented in the 56 applications. For anyone to say that failure to keep this provision in the bill would deprive the elderly people of housing would be ridiculous. The result would simply be that $55½ million would be transferred from voluntary programs to a direct loan program, if the provision remains in the bill, thus becoming a burden on the Federal Treasury.

Mr. President, I think the Congress should recognize these two very sound reasons for the veto. We should support the President in his veto. There is still time to send the President a bill which will contain the important FHA program and the important title 1 program, which will make it possible for the basic housing program of this country to continue.

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

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, I shall vote to sustain the President in his veto. My belief is that if the Senate had listened to the President's admonition about converting the guaranteed loans into direct loans and about including the new lending program for college classrooms in the bill we would not now be required to decide whether we will or will not sustain the President's veto.

I believe in a housing bill. I am convinced the President wants a housing bill. I would be remiss in my responsibility to the people of this country and to the people of my State unless I gave recognition to the fact that the U.S. Government cannot now sell its bonds. We are trying to borrow money to refinance bonds which have matured and we cannot borrow the necessary money. Despite that, the bill which we are now about to act upon contemplated direct loans of money which we do not have and which we would have to borrow from lenders who are unwilling to lend to us.

The Senator from New Mexico [Mr. ANDERSON] asked the question, "Why insist on placing the college classrooms in the bill, when the President directly admonished us that they should not be included?"

Classrooms are not housing. No one can construe classrooms to be housing. In my opinion, these classrooms were placed in the bill as a direct challenge to the President.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. DIRKSEN. I yield 1 additional minute to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 1 additional minute.

Mr. LAUSCHE. I think a housing bill can be drafted with ease. Omissions can be made of the provisions which are not rightfully to be included in the bill.

In the Senate there are probably 20 men who formerly were Governors of States. These men have had experience with legislative bodies writing into a good package bad things, intending to coerce them into accepting the bad with the good. The President has refused to be coerced, and I commend him for his action.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. FULBRIGHT. Mr. President, I deeply regret that the President has vetoed this bill. During the last consideration of the housing bill, I was willing to transfer the $50 million from college classrooms to dormitories.

This is a lending program for college classrooms, about which so much has been said. I supported the motion by the Senator from Connecticut, not because I do not think there is great merit in the program, for I think there is a need for it and merit in it. I supported the Bush proposal solely in an effort to compromise, and perhaps to induce the President to sign the bill.

A very small matter is involved here. All of these items are relatively small.

I have had a calculation made, Mr. President. I find that the President has vetoed 143 bills since he has been President. I think there is nothing comparable to that in our history. There have been 57 direct vetoes, and 86 pocket vetoes.

What this indicates to me is a breakdown in our system of checks and balances. This has been coming on now for a long time. We have a divided Government under the Constitution; that is, as among the three branches of the Government. We now have one party in control of the legislature and another in control of the executive branch. I submit that the President is not using, responsible judgment in trying to conciliate and trying to get along with the legislature, which is as important an element in our Government as is the Executive. I think the President is taking advantage of his power of the veto, and he has abused it, in my opinion.

This is the second time we have had a housing bill vetoed.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. JOHNSON of Texas. Mr. President, I yield an additional minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 more minute.

Mr. FULBRIGHT. The Senator from Alabama has stated that he feels a sense of futility, and that he lacks any desire to go forward with the legislation. It happens that in my State this is not an all important matter, but I think it is all important to the Nation. I have supported a housing program every year. I did so this year.

I think the situation which confronts us is a very serious one, and that this question of a reasonable attitude of conciliation toward the other branches of

the Government is involved. The Executive should not be permitted to completely dominate the legislative branch by its use of the veto power.

I certainly think, if we are going to have any balance in our Government, this Congress has to assert its right to consideration in regard to legislation, and I hope it will override this veto.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to my colleague from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER. The junior Senator from Texas is recognized for 2 minutes.

Mr. YARBOROUGH. Mr. President, as was so ably pointed out by the distinguished Senator from Arkansas, this is not a golf game that we are playing with the President. The President treats it like a golf score, "Who got in with the low score?" If it were a golf game, it would be time that the Congress of the United States scored in the game.

Mr. President, this college classroom provision has been strongly attacked by the Executive and by many other people in the country who are opposed to it. It is only a $50 million program out of a $1¾ billion program. It is not a giveaway program. It is simply a lending program, to loan $50 million to the colleges so that they may build classrooms.

Why has this been provided? It was provided because of the college situation. In 1955 there were 2,380,000 students in colleges in this country. In 1958, last year, there were 3,200,000 students. This year the estimate is that there will be 3,950,000 students. It is estimated that by 1965 there will be 4,750,000 students in colleges, and that by 1970 there will be 6 million students in colleges.

With all the private financing the colleges can get, with all the State financing the colleges can get, and with all the denominational financing the colleges can get, they are not going to be able to house the students who wish to go to college, or to furnish classrooms for them.

We have had a college housing program for years. What is so evil about building classrooms for the students to sit in, when the Federal Government is lending money to colleges to build dormitories for the students to sleep in? The students sleep only about 8 hours a day, and they are in the classrooms more than that.

The President says that this program is Federal aid to education in a highly objectionable form. What is wrong with it? In 1862 the Government passed the Morrill Land Grant College Act and established whole colleges. The party in power at the time was the Republican Party. Many great colleges in this country were formed and created under that act.

If it is all right to create a whole college by the use of Federal money, what is so wrong with this college classroom program?

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, will the Senator yield me 1 more minute?

Mr. JOHNSON of Texas. I yield 1 additional minute to my colleague.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. YARBOROUGH. If it is all right to build dormitories for the students to sleep in, why is it so wrong to build classrooms for the students to study in?

The first precedent I have been able to find, Mr. President, goes far beyond the Morrill Land Grant College Act of 1862. In 1791 the first President, George Washington, in a message to the First Congress called on the Congress to do something about education. He said the question of establishing a national university or granting moneys to seminaries of learning now in existence is for the Congress to determine. We have never heard of George Washington being referred to as a socialistic radical. If assisting education was progressive enough for George Washington 168 years ago, why is it too radical for the present President? I submit, Mr. President, the college classroom provision ought to be law.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, when the five reasons on the second page of the President's veto message are read, Senators will find the President has not the unlimited authority to dictate the interest rates the people of this country must pay, and he wishes unlimited authority to be given him by Congress on the amount of insured FHA loans that can be outstanding.

It is interesting to note that of the five reasons he gave for vetoing the bill, two, or 40 percent of them, are on the ground that Congress did not set interest rates high enough, and one of the other reasons is that he is not satisfied with $30 billion in mortgage insurance authority, but he wants unlimited mortgage insurance authority, at unlimited interest rates.

Mr. President, instead of the old adage of an apple a day keeps the doctor away, I am afraid what the President believes is that an interest hike each day will keep inflation away; and yet such action is encouraging inflation. In one paragraph he talks about the dangers of inflation to the elderly, and yet one of the reasons he gives for the veto of the bill is that we do not raise the interest rates high enough on housing for the elderly, on cooperative housing, and on rental housing.

What does the President think influences interest rates in this country? The biggest factor is the rate we have to pay for money on a 30- to 35-year basis. Although the committee came up from 4½ to 5¼ percent on rental housing and cooperative housing, we did not go to the 5½ percent the President wanted. Each new day brings higher and higher interest rates. Today the Federal National Mortgage Association announced that they are putting out a 5⅛-percent bond, and yet the New York Times today shows that these Federal National Mortgage bonds are now selling at a rate of from 4.95 to 5.93. This interest rate will destroy the prosperity of this country.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, we have come nearly to the end of the road for housing in this session of Congress. The Congress of the United States has walked the extra mile to meet the President of the United States. When we got there we found he had turned his back on the cities of America.

The veto message complains, first, that Congress has put a time limit on the insurance authorization for FHA, and indeed we have, and that is one of the best things about this bill. I would be opposed to giving a green light to housing for the well-to-do and putting up a roadblock on housing for our middle income and lower income group.

Secondly, the President says the bill goes too far. He again overstates the monetary cost of the bill, but Mr. President, the bill does not go nearly far enough.

Third, the President complains about two new programs. First, he complains of the program for direct loans for college classrooms, and his arguments in that regard have been so abundantly rebutted by my colleagues I shall not reiterate the obvious.

Fourth, he complains of housing for the elderly, and he says the present program is working very well. However, every Member of the Senate knows the present program takes care only of the upper income half of elderly families and leaves without a decent roof over their heads the lower income half of elderly families.

Fifth, the President complains about the 37,000 units of public housing, and yet every Senator knows that this relocation housing is vital for the continued progress of urban renewal and for the continued progress of the highway program.

Sixth, the President says this is not the kind of housing legislation needed at this time.

This is exactly the kind of legislation needed at this time, except that it does not go far enough in meeting the needs of urban America.

Seventh, the President outlines a plan of five measures he would like included in a housing bill at this session. I would not personally be willing to advocate any of those five measures at this stage of the session unless they were coupled with other far more important housing programs.

Mr. President, the President's recommendations would fasten the tight-money, high-interest policy around our necks again. It would mean abject surrender of the interests of the urban families of this country.

I wonder how many of us know that today we are spending $3,000 per capita of Federal expenditures annually for farm families, and only $84 per capita per annum for slum families, and there are a million more slum families in this country than there are farm families. How can we justify the action of the President of the United States in signing without protest a bill appropriating

$10 billion of additional Federal money in excess of present law for the benefit of veterans with non-service-connected disabilities and their dependents, and at the same time fail to override this housing veto?

Mr. President, I ask my colleagues to stand up for the cities of America and override this veto.

Mr. CLARK subsequently said: Mr. President, I ask unanimous consent that an article from the September 1950 issue of Architectural Forum, whose editor in chief is Henry Price and whose president is Roy E. Larsen, entitled "Cheating the Cities," may appear in the RECORD as a part of my speech in opposition to the housing veto.

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

CHEATING THE CITIES

The cause of urban renewal is in deep trouble. It is not simply that the President vetoed one inadequate housing bill in favor of another still more inadequate, to balance a budget. Urban renewal can survive that. Far more serious is the import of the veto message, indicating that in the future the Federal Government should shift major responsibility in this area almost wholly to the States and municipalities, withdrawing wholly from public housing and other critical areas of human shelter. This would evade, as will be shown, the mounting Federal responsibility for the plight of cities through its own operations, notably such really massive Federal programs as highways and defense.

As if this were not trouble enough, urban renewal has erupted a messy situation of its own in the title I slum-clearance scandals of New York. These, thrown up on the national proscenium in big black headlines, are rarely distinguished as singular to one city and one man's rule, as shown elsewhere in this issue. And if a congressional investigation of all title I gets underway in New York this month, as scheduled, the messy pot may be kept boiling for weeks to come. Granted that programs so closely linked to the public weal need constant scrutiny, it is still unfortunate that such fuel is being added to the fire breathing of those who oppose all public, planned slum clearance and urban renewal anyway.

The truly serious difficulty is that so many men of substance and good will, even as the President, seemingly have failed to think things through. Ignored is the enormous urban revolution going on chaotically around them, transcending all governmental boundaries; unapplied is all the sound fiscal sense these leaders bring to other enterprises, as in combating the obsolescence of industrial plant. Not all men of substance have failed to grasp this great challenge. Rising numbers of solid citizens, including business and corporation leaders, are actively engaged in urban problems, and have come to see from the grassroots the need for substantial Federal leadership and assistance. The veto message itself has been attacked as misleading by no less a conservative member of the President's own party than Senator HOMER E. CAPEHART, of Indiana. On the national and administration level, however, three great blind spots remain:

1. Federal policies and programs are creating unprecedented new problems for cities:

Since World War II, the Federal Government from necessity has been putting huge sums into various programs, and taking other actions or nonactions that have had explosively damaging effects on cities.

One and nine-tenths billion dollars a year in Federal housing insurance and home loans, on the average since the programs started, have been going to homebuilders. Around 90 percent of the total has gone to expedite the postwar explosion of suburban developments, discriminating against new housing in cities. While some redress is underway to encourage rental housing in cities, subject to heavy Federal taxes that homebuilding escapes, it is too late to reverse the tide that has drained cities of the middle class and homeowners, leaving behind tidal flats in which blight, slums, and decaying downtowns are rankly growing.

One and six-tenths billion dollars a year in Federal defense highway funds, on the average, have been apportioned since 1956 to States. The impact of this program on cities, though difficult to measure, is not difficult to see from coast to coast. Altogether, the people and property being displaced and demolished by this Federal program is estimated to be running about 90,000 family units a year, with little local and almost no Federal responsibility displayed for relocation, replacement, or planning.

Forty billion dollars a year in defense contracts have been going, on the average since 1950, into what amounts to reshaping the economy. The direct and indirect leverage on cities, little noted, is tremendous. Concentration of new industries, as on the west coast, has built up huge new population agglomerations; dispersal of other industries, as in the South, has created bulging new backwoods towns. Some cognizance is taken of this in a tiny emergency defense housing fund, but all the larger aspects are ignored.

When, therefore, the Federal Government attempts to shift responsibility for the plight of cities, it is being less than honest. Add to this a long record of inaction in promoting the modernizing of railroads and public transportation, and the Federal position becomes untenable.

2. Cities are in the midst of an urban population revolution of unprecedented proportions.

Below all this, pushing with inexorable force, is an urban population revolution which, beginning about World War II, is just now approaching full tide. This is the phenomenon known as "scatteration" or "the exploding metropolis," described by Coleman Woodbury, director of urban research at the University of Wisconsin, as "a new pattern of settlement."

The main characteristic of the new pattern is the centrifugal growth of metropolitan areas. The total national growth from 1950 to 1956 breaks down into 15.6 percent for center cities, 27.2 for suburbs, and 41.5 for fringe areas, with the latter whipping up a 55.8 percent rate of increase against only 4.7 percent for center cities. Professor Woodbury sees nothing here to indicate any diminishing of the outward flow. This urban population explosion, simply at its present rate of growth, will add residents by 1975 equal to the 1950 metropolitan area populations of New York-northeast New Jersey, Chicago, Los Angeles, Philadelphia, Detroit, Boston, San Francisco-Oakland, Pittsburgh, St. Louis, Cleveland, Washington, Baltimore, Minneapolis-St. Paul, Buffalo, plus 15 million persons more. Even if the rate dips or levels, it will still be something phenomenal.

Above all, it is this fragmentation bomb that both the President and Congress, as well as the public generally, fail to take into account.

3. The new 85 percent urban population gets only a fraction of the Federal money going to farms.

Such changes as the new pattern portends require capital investment, public and private, on a huge, unprecedented scale. States and cities have neither the tax base nor the power for leadership to hold up the public end. Yet the Federal projection for urban renewal funds is so small as to be bizarre. The whole current rumpus is over funds—now at a yearly rate of about $300 million—slightly larger than the price support program on potatoes or about one eighteenth of the Department of Agriculture's budget. Comparison with agricultural supports is not irrelevant. As Thomas R. Reid, civic and governmental affairs manager of the Ford Motor Co., pointed out to the recent Conference of Mayors, there are now a million more slum dwellers than farm dwellers, yet Federal per-capita expenditure on farm families is $3,000 yearly against only $84 per slum family.

Washington has signally failed to wake up to the fact that this is no longer an agricultural nation, but one composed 85 percent of urban dwellers. When the huge wasteful farm surplus program is added to other urban burdens, the cities are being cheated on the vastest scale in history.

With or without Federal funds, the forces of change are so powerful that urban creation and renewal will go on willy-nilly. The only issue is whether, with some foresight and planned investment, some order, reason, and beauty—which is to say architectural quality—can be brought to America's fast-changing scene. The hard fact is that despite Federal reluctance to support public works, its own actions in housing, highways, and defense have destroyed or made obsolete a large part of our cities, and its own monopoly of tax base has made it impossible for States and cities to do for themselves.

Mr. DIRKSEN. Mr. President, how does the time stand?

The PRESIDING OFFICER. The Senator from Texas has 5 minutes remaining. The Senator from Illinois has 10 minutes remaining.

The Senator from Illinois is recognized.

Mr. DIRKSEN. I yield myself the balance of the time.

Mr. President, the Constitution makers very wisely provided two things in their great document:

First. In the state of the Union message to Congress the President shall inform Congress and the country and also make his recommendations.

Second. With respect to the veto power, it makes the President a part of the legislative process. It says that if he disapproves, he shall assign his reasons and send his veto message to Congress.

Mr. President, that makes the President of the United States the one person in this country holding elective office who has a national responsibility as distinguished from the responsibility to a State or to a constituency. It has been said that only one national viewpoint is expressed from time to time in the political arena, and that comes from the President of the United States.

So the President has the duty, if he disagrees with a piece of legislation, to return it to Congress and to assign the reasons why he believes he had to disapprove it and why his disapproval ought to be sustained.

The President talks not only for the whole country, but he must think about the future. I am afraid that too often we forget about that fact.

As an example, we passed the veterans' pension bill. Next year the President will have to ask Congress for $308 million for veterans' pensions. If we had followed his advice it would have been $100 million, but Congress said,

"This is going to be the law, and you are going to ask for $308 million for pensions instead." That is the impact on the future, and I wonder whether we are as cautious and careful as we might be with respect to the impact of the things we do upon the future fiscal policy of the country.

The President, therefore, when he considers a matter like the housing bill, has to be thinking about the fiscal affairs of the country. There are 37,000 housing units provided for, which would cost the taxpayers $875 million. Of course, the program would be scattered over a number of years, but it represents a commitment, notwithstanding.

The President asked for a 5-year program on urban renewal. What did we do? We gave him a 2-year program, cut the money a little, and indicated, in the tables on the back of the RECORD, that we had reduced his budget figures. What we did was to take a pair of snips and reduce the 5 years to 2 years, drop the amount of money just a little, and by strange legerdemain, and a kind of arithmetic with which I am unfamiliar, we made it appear that there was a decrease. The President has a fiscal responsibility, and when he evaluates these programs he takes that fact into account.

What are his principal objections? One is to classrooms. I was opposed to that provision. Anyone can see that that would be a snowballing program.

Before I finish listing the objections, let me say to my distinguished friend from Arkansas that the President of the United States is not the "top dog" when it comes to vetoes. Up to 1956 President Roosevelt vetoed 631 bills. Up to 1956 Truman had vetoed 250 bills. I use 1956 to make sure that I follow the record which has been prepared by the distinguished Secretary of the Senate.

Up to that time President Eisenhower had vetoed 86 bills, as compared with 250 by Truman and 631 by Roosevelt.

To make sure that the record is accurate, up to the middle of 1959 this figure had jumped from 86 to 143, but it is still at the halfway mark so far as Truman is concerned, and about 33⅓ percent or less of the number of veto messages sent to Congress by President Roosevelt.

Back to the bill The President objects to classrooms. I object to classrooms with a subsidized interest rate, in a program that would snowball into hundreds of millions of dollars.

The President wanted at least a 2-year program for FHA. We said, "You will take 1 year." I know of no better way to disrupt a program than to give it a life of 365 days, then haul it back to Capitol Hill and make the administration lay all the cards on the table. How can we preserve continuity, and have a program that is effective and workable, and is an assurance to builders and suppliers of the country on that basis?

The situation was made abundantly clear. Congress said, "You will take a year, or you will take nothing. You will take classrooms, or you will take nothing. You will take urban renewal on a 2-year basis instead of a 5-year basis, or you will take nothing. You will take elderly housing on a subsidized basis, or you will take nothing."

Yet the record shows that in connection with elderly housing there is a program. The FHA has a program of elderly housing. It is in operation. It is workable.

Finally, the President said, "It is about time to taper off in this public housing business." Yet we say, "You will take 37,000 units plus, or you will take nothing." Out of that there will be a charge of $875 million on this country, over the subsidy life, which could be as much as 40 years.

The President must speak for the country. He must speak for all the people—not for Illinois, not for New York, not for New York City, not for Cleveland, not for Los Angeles, not for a host of little cities. He speaks for all communities and all States. He believes that we have gone too far, in view of the fiscal situation; and I think he makes a good case.

In a spirit of warning—and I do not like to speak in such terms—our fiscal situation is not too good. The redemptions on E- and H-bonds have been going up and the sales have been going down. The Government is having difficulty in the market today because of the limitation on interest. This is not a happy picture, especially when we stop to consider that $9 billion worth of American paper is in the central banks of other countries and elsewhere.

It is said, "Go ahead." The money is spent over there, in countries which show no willingness to put their fiscal houses in order. The situation is pretty serious.

Mr. President, the President deserves to be sustained on every count.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield me 1 minute?

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. In order to be factual and not emotional, I wish to call attention to two facts. One is that, with respect to the elderly housing and classrooms, it is discretionary with the President as to whether or not he shall ask for appropriations. He has not asked for appropriations this year. Therefore nothing could be built under either of those sections.

The able Senator from Illinois stated that we must have continuity; we must have programs effective for more than a year.

We have had FHA since 1935. Every year we have extended it only from year to year. This is the first time we have talked about extending it for more than a year. It has been on a yearly basis since 1935.

Mr. JOHNSON of Texas. Mr. President, I yield the remainder of the time at my disposal to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, the Senate has been working on housing this year since early in January. In October of last year, when I was down in Alabama, Mr. Mason told me the difficulty the FHA was up against with reference to the FHA insurance authorization, but he told me that, through the method of issuing agreements or letters of intent, he thought the program could be financed until the first of January, but he hoped we would get action in the early part of the year.

The Subcommittee on Housing started to work almost immediately after the new Congress convened. Senators will remember that we reported a bill to the Senate on the 2d day of February. The Senate, by an overwhelming vote, passed that bill on the 5th of February. Then, of course, it went to the President some time later, and he vetoed it. It came back here and we held hearings for over a week. We listened to the best authorities we could get, and to the Government representatives themselves. We worked diligently at trying to meet them halfway, or even more.

There is talk about the 37,000 public housing units. The figure of 37,000 was adopted as their own figure.

We had testimony with reference to college classrooms. We are building college housing. The presidents of universities and colleges, representing all the various groups of colleges and universities throughout the country, have said to us, "We have about reached the point where it will not do any good for you to build dormitories for us. We do not have places to teach the young people who are coming to us. We need classrooms as much as the dormitories."

The answer of the administration was that a new program was being prepared. I repeat what I have said many times. We do not want any duplicate programs. Let the new program come from the Committee on Labor and Public Welfare next year, 5 years from now, or whenever it may come. If it does the job, I will be the first one to propose that the present program be completely phased out. But I say that classrooms are needed, and needed now. If we do not act quickly, we will find ourselves in a terrible position within the next few years.

When the President's veto message on the first bill was received, we examined every item in the bill—120 or so. We went over the bill item by item. We did not miss a single one. We asked Mr. Mason and his aids, "How does the administration stand on this point?" I wish I had the time to enumerate the points we took up in order to satisfy the administration.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD that part of the House report which appears on pages 2, 3, 4, 5, and 6, and which enumerates the important changes we made in the proposed legislation in order to meet the wishes of the administration.

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

DIFFERENCES BETWEEN S. 57 AND S. 2539

DELETIONS

Maximum maturity: S. 57 would have authorized the Federal Housing Commissioner and the Administrator of Veterans' Affairs to increase to 35 years the maximum maturity of mortgages insured or guaranteed.

The veto message expressed opposition to this discretionary authority and these provisions are not contained in S. 2539.

FNMA par purchase: S. 57 contained a provision which would have required the Federal National Mortgage Association to pay par for mortgages purchased under its special assistance functions. The veto message expressed opposition to this provision, and it does not appear in S. 2539.

FNMA short-term loans: S. 57 would have authorized the Federal National Mortgage Association, under its secondary market operations, to make short-term (12-month) loans to be secured by FHA-insured or VA-guaranteed mortgage loans. The veto message expressed opposition to this provision, and it is not contained in S. 2539.

Amendment of public housing contracts: S. 57 contained a provision directing the Public Housing Administration to amend existing contracts upon the request of a local public housing authority in order to bring such contracts into conformity with changes contained in S. 57. Since existing law permits the Public Housing Administration to extend the provisions of any new laws to outstanding contracts, this provision appeared to be unnecessary. It is not contained in S. 2539. The committee understands that existing law permits contracts to be amended to incorporate the provisions of this act, without requiring the incorporation in such amended contracts of any provisions other than those provisions designed to bring such contracts into conformity with changes contained in S. 2539.

Study of housing needs of migratory farmworkers: The provision in S. 57 directing the Administrator of the Housing and Home Finance Agency to study the housing needs of migratory farmworkers is not contained in S. 2539.

Planning scholarships and fellowships: S. 57 contained a provision authorizing appropriation of $300,000 for a 3-year period, which funds were to be used by the Housing and Home Finance Agency to provide scholarships and fellowships for the graduate training of professional city planners and housing technicians and specialists. The administration opposed this provision, and it is not contained in S. 2539.

Reacquisition by former owners of FHA-insured projects: S. 57 contained a provision authorizing the FHA Commissioner, when disposing of properties acquired by him in insurance operations under title IX of the National Housing Act and under section 608 of the National Housing Act, to give former mortgage owners a priority of opportunity to reacquire such properties. The administration objected to this provision, and it is not contained in S. 2539.

MODIFICATIONS

Extension of programs: S. 57 contained provisions extending the FHA property improvement program until September 30, 1960; extending the FHA military housing program until September 30, 1960; and extending the voluntary home mortgage credit program until July 31, 1961. S. 2539 extends the VHMCP and the military housing program until October 1, 1961; and extends the property improvement program until October 1, 1960. (Secs. 101, 701(a), and 806.)

FHA insurance authorization: S. 57 contained provisions which would have increased the general mortgage insurance authorization of the Federal Housing Administration by $5 billion upon enactment, and by $5 billion on July 1, 1959. Under these provisions, any portion of the first $5 billion increment which was unused on June 30, 1959, would have lapsed. S. 2539 increases the general insurance authorization by $8 billion on enactment with a further provision that on October 1, 1960, any unused authorization shall expire and the (revolving) authorization thereafter shall become the total of outstanding commitments to insure and insurance in force as of that date. (Sec. 107(a).)

S. 2539 also contains a provision which prohibits the Federal Housing Commissioner from exceeding the general mortgage insurance authorization by the use of any procedures which would extend the contingent liability of the Federal Government beyond the amount specified in law. Thus, the legal ceiling on FHA insurance activity will be strictly limited as provided in law, and insurance contracts and bona fide commitments to insure will be the only acceptable procedures for operating under this limitation. (Sec. 107(b).)

Maximum insurable loans for relocation housing: S. 57 contained provisions increasing the maximum insurable loans under section 221 of the National Housing Act from $9,000 to $10,000, and from $10,000 to $12,000 in high-cost areas. S. 2539 retains the basic limitation of $9,000 but increases the high-cost area ceiling from $10,000 to $12,000. (Sec. 110(b) and 110(c).)

Fees and charges under FNMA special assistance functions: S. 57 contained a provision limiting fees and charges under its special assistance programs to a maximum of 1 percent of the principal amount of the mortgage, and providing further that the amount collected at the time of commitment could not exceed one-quarter of 1 percent. The veto message objected to this provision and S. 2539 gives the Association discretion in fixing fees and charges under its special assistance functions. (Sec. 303(a).)

FNMA special assistance for cooperative housing mortgages: S. 57 contained a provision increasing by $37.5 million the Federal National Mortgage Association fund for purchasing, on a special assistance basis, mortgages insured under section 213 of the National Housing Act. This increased amount would have provided $25 million for consumer cooperatives and $12.5 million for builder-sponsor cooperatives. The veto message expressed opposition to this, and S. 2539 increases this special assistance fund by only $25 million, equally divided between consumer cooperatives and builder-sponsor cooperatives. (Sec. 304.)

Early acquisition of property in urban renewal area: S. 57 contained a provision which would have permitted a local public agency to acquire and clear property prior to the signing of a loan and grant contract with the Federal Government. This action would have been permitted only if sanctioned by local law and in the understanding that the land could not be disposed of until the urban renewal plan was finally approved. S. 2539 contains a modified version of this provision, which modifications were made to clarify local responsibility for repaying loans made to finance such early acquisition and to clarify language relating to disposition of the property so acquired. (Sec. 403.)

Urban renewal capital grant authorization: S. 57 contained a provision increasing the urban renewal capital grant authorization by $500 million on July 1, 1959, and by $400 million on July 1, 1960—a total of $900 million. In view of objections raised in the veto message and in recognition of the current backlog of applications, S. 2539 provides that the urban renewal authorization shall be increased by $550 million upon enactment with the further provision that the President may at his discretion authorize an additional $100 million if necessary to satisfy the needs of cities with a population of 100,000 or less. (Sec. 405(1).)

Priority for approval of urban renewal applications: S. 57 contained a provision directing the Urban Renewal Commissioner to process applications on a first-come, first-served basis. S. 2539 modifies this provision to give discretion to the Administrator to consider urgency of need and feasibility in approving such applications, although the general rule for approving applications will be on a first-come, first-served basis. (Sec. 405(3).)

Public housing projects in urban renewal areas: S. 57 contained a provision to facilitate the construction of federally assisted low-rent public housing in urban renewal areas. S. 2539 modifies this provision to include State or locally assisted low-rent housing projects. (Sec. 411.)

Crediting the cost of local public works: S. 57 contained a provision which would have permitted credit toward satisfying a locality's share of the cost of an urban removal project, as a noncash grant-in-aid, of eligible local public works started within 5 years prior to execution of the loan-and-grant contracts for the urban renewal project. Since, under existing law, such projects can be credited if started after approval of a preliminary plan for the project, which approval can occur as much as 3 years prior to the signing of the loan-and-grant contract, and because the veto message expressed opposition to the provision, S. 2539 contains a provision to credit such projects only if they are started within 3 years prior to execution of the contract. It is the committee's intention that local public works be credited under this provision only if the projects are clearly a part of, and contributory to, the urban renewal project. (Sec. 414(a).)

Public housing rent ceilings for displaced families: S. 57 would have exempted families displaced by Government action from a provision of existing law which requires a 20-percent gap between the upper rental limits for admission to low-rent housing and the lowest rents at which private enterprise is providing a substantial supply of decent, safe, and sanitary housing. S. 2539 provides for the reduction of the gap requirement from 20 percent to 5 percent. (Sec. 503(b).)

Public housing authorization: S. 57 contained a provision specifically granting contract authority for approximately 10,000 units to be available until July 1, 1961, and 35,000 units to be available until June 30, 1963. S. 57 also granted the President discretion to authorize additional units up to the limit contained in the Housing Act of 1949, which discretion could not be exercised until July 1, 1960, and which discretion could not be used to contract for more than 35,000 units in any one year.

The veto message objected to this provision of S. 57 and the number of additional low-rent housing units authorized by S. 2539 has been cut to only 37,000. This figure was established by administration estimates that there is now a backlog of applications for 37,000 units which could be expected to be built if the authorization is provided. The bill also requires that any units under contract from prior authorizations which are recaptured by the PHA may be reallocated but will be charged against the 37,000 unit total. (Sec. 505.)

College housing loan authorization: S. 57 contained a provision increasing the college housing loan fund by $300 million, which included $37.5 million for "other educational facilities" and $37.5 million for student-nurse and intern housing. In view of the objections in the veto message, S. 2539 reduces these amounts to $250 million, $25 million, and $25 million respectively. (Sec. 601.)

College classrooms and educational buildings: S. 57 provided for a new loan program to assist colleges and universities in constructing or rehabilitating classrooms, laboratories, and related facilities, including equipment and utilities. The amount provided for these loans has been reduced from $62.5 million in S. 57 to $50 million in S. 2539. Also in view of opposition in the veto message, S. 2539 provides that this program shall be financed by appropriations rather

than by borrowing from the Treasury. (Sec. 602.)

Sale of housing project: S. 57 contained general language authorizing the Commissioner of the Public Housing Administration to modify the terms of any contract under which he had sold a housing project to a cooperative. S. 2539 modifies this provision to restrict its application to the contract by which the Southmore Mutual Housing Corp. purchased a housing project from the Public Housing Administration. (Sec. 808.)

Mr. SPARKMAN. Mr. President, I ask also to have printed at this point in the RECORD a table printed on page 27 of the committee report, entitled "Comparisons of Obligational Authority and Budgetary Impact in Fiscal Year 1960," modified to reflect amendments made on the floor of the Senate.

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

COMPARISONS OF OBLIGATIONAL AUTHORITY AND BUDGETARY IMPACT IN FISCAL YEAR 1960

Proposed housing legislation—Comparative summary of (1) new obligational authority and (2) estimated expenditures for fiscal year 1960

[In millions]

	New obligational authority			Estimated expenditures, fiscal year 1960		
	Administration (S. 65 and S. 612)	S. 57	S. 2539	Administration (S. 65 and S. 612)	S. 57	S. 2539
Grants:						
Urban renewal	[1] $1,550.0	[2] $900.0	[3] $650.0			
Urban planning (sec. 701)[4]	10.0	10.0	10.0	$1.0	$1.1	$1.1
Scholarship [4]		.3			.1	
Defense hospital [4]		15.0	15.0		2.5	2.5
Farm housing research [4]		.1	.1			
Loans:						
Elderly housing direct loans [4]		50.0	50.0		2.5	2.5
Urban renewal advances				3.6	8.0	8.0
Public housing advances					5.0	5.0
College housing loans	200.0	300.0	250.0			
College classroom loans		62.5	[4] 50.0		2.5	2.5
Mortgage purchases: FNMA special assistance for cooperative housing		37.5	25.0		6.3	6.3
Total	1,760.0	1,375.4	1,050.1	4.6	28.0	[5] 27.9

[1] Authorizations for a 6-year period.
[2] Authorizations for a 2-year period.
[3] Includes $100,000,000 for small cities, to be used at discretion of President.
[4] New obligational authority when appropriated.
[5] Does not include an estimate of possible cost attributable to provisions regarding extension of FNMA commitments.

Table prepared by staff of Senate Housing Subcommittee, Aug. 5, 1959.

Mr. SPARKMAN. Mr. President, we have worked long and hard trying to get a bill. We have gone more than half way to meet the administration. I do not want any misunderstanding to arise. I do not want Senators to feel that we will have a housing bill, because it is my earnest and honest belief that there will be no housing legislation this year unless we succeed in overriding the veto.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired. All time for debate has expired.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cooper	Hayden
Allott	Cotton	Hickenlooper
Anderson	Curtis	Hill
Bartlett	Dirksen	Holland
Beall	Dodd	Hruska
Bennett	Douglas	Humphrey
Bible	Eastland	Jackson
Bridges	Dworshak	Javits
Bush	Ellender	Johnson, Tex.
Butler	Engle	Johnston, S.C.
Byrd, Va.	Ervin	Jordan
Byrd, W. Va.	Fong	Keating
Cannon	Frear	Kefauver
Capehart	Fulbright	Kerr
Carlson	Gore	Kuchel
Carroll	Green	Langer
Case, N.J.	Gruening	Lausche
Chavez	Hart	Long, Hawaii
Clark	Hartke	Long, La.
McCarthy	Muskie	Sparkman
McClellan	Neuberger	Stennis
McGee	Pastore	Symington
McNamara	Prouty	Talmadge
Magnuson	Proxmire	Thurmond
Mansfield	Randolph	Wiley
Martin	Robertson	Williams, N.J.
Monroney	Russell	Williams, Del.
Morse	Saltonstall	Yarborough
Morton	Schoeppel	Young, N. Dak.
Moss	Scott	Young, Ohio
Mundt	Smathers	
Murray	Smith	

The PRESIDING OFFICER. A quorum is present. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, a yea-and-nay vote is mandatory. The clerk will call the roll.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Do I correctly understand that a vote "yea" is a vote to override the veto; and a vote "nay" is a vote to sustain the veto?

The PRESIDING OFFICER. The Senator from Illinois is correct. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Massachusetts [Mr. KENNEDY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union meetings at Warsaw, Poland.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senators from Idaho [Mr. CHURCH] and Massachusetts [Mr. KENNEDY] are paired with the Senator from South Dakota [Mr. CASE]. If present and voting, the Senators from Idaho and Massachusetts would each vote "yea" and the Senator from South Dakota would vote "nay."

The Senators from Missouri [Mr. HENNINGS] and Wyoming [Mr. O'MAHONEY] are paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senators from Missouri and Wyoming would vote "yea" and the Senator from Arizona would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business, attending the Interparliamentary Union Conference at Warsaw, Poland. On this vote, the Senator from South Dakota is paired with the Senator from Idaho [Mr. CHURCH] and the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Idaho and the Senator from Massachusetts would each vote "yea."

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent, and, on this vote, is paired with the Senator from Missouri [Mr. HENNINGS] and the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Missouri and the Senator from Wyoming would each vote "yea."

The yeas and nays resulted—yeas 58, nays 36, as follows:

YEAS—58

Anderson	Gruening	Mansfield
Bartlett	Hart	Monroney
Beall	Hartke	Morse
Bible	Hayden	Moss
Byrd, W. Va.	Hill	Murray
Cannon	Humphrey	Muskie
Capehart	Jackson	Neuberger
Carroll	Javits	Pastore
Chavez	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Randolph
Cooper	Jordan	Robertson
Dodd	Kefauver	Scott
Douglas	Kerr	Smathers
Ellender	Langer	Sparkman
Engle	Long, Hawaii	Symington
Ervin	Long, La.	Williams, N.J.
Frear	McCarthy	Yarborough
Fulbright	McGee	Young, Ohio
Gore	McNamara	
Green	Magnuson	

NAYS—36

Aiken	Dworshak	Mundt
Allott	Eastland	Prouty
Bennett	Fong	Russell
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Butler	Hruska	Smith
Byrd, Va.	Keating	Stennis
Carlson	Kuchel	Talmadge
Case, N.J.	Lausche	Thurmond
Cotton	McClellan	Wiley
Curtis	Martin	Williams, Del.
Dirksen	Morton	Young, N. Dak.

NOT VOTING—6

Case, S. Dak.	Goldwater	Kennedy
Church	Hennings	O'Mahoney

The PRESIDING OFFICER. Two-thirds of the Senators present not having voted in the affirmative, the bill is not passed.

Mr. DIRKSEN. Mr. President, I move that the vote be reconsidered.

Mr. BUSH. Mr. President, I move 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 of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) 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.

MEETINGS OF PUBLIC WORKS COMMITTEE AND FINANCE COMMITTEE

Mr. JOHNSON of Texas. Mr. President, I should like to announce that the Public Works Committee plans to meet shortly in the office of the Secretary of the Senate; and the Finance Committee will meet in the Finance Committee hearing room.

Mr. President, at this time I move that the Senate take a recess, subject to the call of the Chair.

Mr. MAGNUSON. Mr. President, before that motion is put, I should like to have the conference report on the independent offices bill called up.

Mr. JOHNSON of Texas. Can it be disposed of in 2 or 3 minutes?

Mr. MAGNUSON. Certainly.

Mr. JOHNSON of Texas. Then, Mr. President, I withhold my motion for a recess, and yield now to the Senator from Washington.

INDEPENDENT OFFICES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 14, 1959, p. 15894, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the report?

Mr. JAVITS. Mr. President, reserving the right to object, I should like to know to what the amendments relate. Do they relate to the civil defense part of the bill?

Mr. President, for the moment, I object to the request. I should like to find out more about the conference report.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate now take a recess, subject to the call of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and (at 3 o'clock and 9 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

At 3 o'clock and 12 minutes p.m., the Senate reassembled, when it was called to order by the President pro tempore.

FEDERAL-AID HIGHWAY PROGRAM

The bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, was read twice by title.

Mr. JOHNSON of Texas. Mr. President, I move that H.R. 8678, the roads bill, be referred to the Committee on Public Works.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

RECESS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The motion was agreed to; and (at 3 o'clock and 13 minutes p.m.) the Senate took a recess, subject to the call of the Chair.

At 5 o'clock and 30 minutes p.m., the Senate reassembled, when it was called to order by the President pro tempore.

INDEPENDENT OFFICES APPROPRIATIONS, 1960—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. When the Senate recessed, we were discussing the possibility of bringing before the Senate the conference report on the independent offices appropriation bill.

The PRESIDENT pro tempore. That is correct. It had been submitted.

Mr. JOHNSON of Texas. Is that in order? Has that report been submitted?

The PRESIDENT pro tempore. It has been submitted.

Mr. JOHNSON of Texas. Is it in order to proceed to the consideration of the report at this time?

The PRESIDENT pro tempore. It is.

Mr. JOHNSON of Texas. I ask the Senator from Washington whether it is agreeable to him to proceed to the consideration of the conference report.

Mr. MAGNUSON. Yes. I wish the RECORD to show, however, that the Senator from New York [Mr. JAVITS] wished to make a statement on it.

Mr. SALTONSTALL. We have sent for the Senator from New York.

Mr. JOHNSON of Texas. Mr. President, the Senator from New York is en route to the Chamber. I understand that the Senator from Washington is prepared to make a statement.

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 14, 1959, p. 15894, CONGRESSIONAL RECORD.)

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MAGNUSON. Mr. President, I further move that the Senate recede from its amendment No. 1.

Mr. JOHNSON of Texas. Is that the amendment——

Mr. MAGNUSON. That is the only amendment in dispute.

Mr. RUSSELL. May we have the amendment reported? May we know what the purpose or the scope of the amendment is?

Mr. MAGNUSON. Mr. President, I ask that the amendment be reported.

The Chief Clerk read as follows:

On page 3, line 5, of the Senate engrossed amendment, strike out "$10,000,000" and insert "$25,000,000."

Mr. MAGNUSON. Mr. President, as the Senate will recall, the Senate had several conferences with Members of the House on the independent offices appropriation bill, and we came to an agreement, which the Senate adopted, on all items in that very long and complex independent offices appropriation bill, except one. That item, which is termed "amendment No. 1," involved the question of whether or not we should appropriate $12 million for grants to States and local communities for salaries paid in connection with local participation in civil defense and $3 million for equipment and other matters which the local people would need in order to carry out their portion of the work of civil defense.

The Governors of many States would appoint civil defense directors. The $12 million item would give a grant-in-aid of not more than 50 percent of the cost for the operation of that office. In some

cases, another subdivision of the government would be involved, a city, county, or district, but mainly it would involve the States.

There was great dispute about this matter in the House. The House conferees and the members of the House Appropriations Committee, though I do not quote their attitude verbatim, felt that this provision would establish many local patronage jobs. As they put it, it would create more jobs in the city halls of the United States.

In truth it would not, and there is ample precedent for the provision. We have a similar provision in connection with the Department of Labor and the Department of Health, Education, and Welfare, which provide for participation in the payment of salaries for the operation of the local units. In these departments the employees come under civil-service requirements or a merit system, and the jobs are so established.

At the last session of Congress the Senate voted the same amount of money for participation as is contained in the bill, but we found at that time that the States had not sent in their plans and had not sent in the merit system requirements.

In the meantime, all 50 States have now sent in their plans of participation in civil defense and all of them have some merit system comparable or similar to those we demand in the Department of Labor, where we participate in the operation of the State organization, and in HEW, where we participate in other functions of that Department.

The House knocked out the item completely. The Senate put it in. Then we finally went to a vote in the Senate and in the House. The House voted approximately 2 to 1 against this item, and the Senate voted 76 to 8 to keep the item in.

That led us to an impasse on amendment No. 1. All the other civil defense features were resolved in conference, and we have been waiting with the independent offices appropriation bill for almost 3 weeks, in the hope that we might be able to resolve this item. In the meantime, civil defense officials have conferred with the Members of the House. The President formally sent a letter to all members of the House Subcommittee on Appropriations on this item, suggesting they keep it in.

I have only today conferred with the chairman of the subcommittee in the House, Representative THOMAS, of Texas, and he informs me, and will inform me by letter which is on its way over here now, that the House has no intention of having any further conference on this item. Therefore, I am suggesting to the Senate, in view of the time element involved, the fact that almost 3 weeks have gone by, and the fact that salaries in all the independent agencies downtown are involved—Veterans' Administration, General Services, Housing and Home Finance Agency—that in view of this situation about all we can do is accept the House version.

Mr. RUSSELL. Will the Senator yield?

Mr. MAGNUSON. I promised to yield to the majority leader.

Mr. RUSSELL. I merely want to ask whether it is a fact that the House voted on the issue twice and refused to accept it.

Mr. MAGNUSON. Yes. The House had a voice vote on it and then the House had a rollcall vote on it.

Mr. RUSSELL. It was fully explained?

Mr. MAGNUSON. It was fully explained and discussed. It is a matter we have had in the Senate for a long time. I am somewhat in agreement with the Senator from Ohio [Mr. YOUNG]—and I have handled this appropriation for some time—that there has been a great deal of waste. I think we can look askance on what they have been doing in the Federal civil defense picture.

It is my firm opinion that civil defense can succeed—if we want civil defense at all—only if there is local participation. Without that, we might as well consider civil defense on a national scale to be futile. Everyone knows that the local people know better what should be done, but there should be an overall plan under which they can work. I should like to see local participation bolstered. We are not going to pay too much attention to local details. If something like a fire happens in a town, and the chief of the fire department feels that he can handle it with his own local people and in cooperation with the director of civil defense, that will be done. That is the situation in which we find ourselves. Therefore, I recommend that the House version be accepted.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG of Ohio. In connection with the suggestion which the distinguished Senator from Washington makes, I invite his attention to the fact that the Wall Street Journal, in an editorial in the issue of September 3, 1959, supports the view the Senator takes. In addition to the editorial from the Wall Street Journal to which I have referred, the Scripps-Howard newspapers have published editorials in various newspapers of their league of newspapers, in support of the distinguished Senator's position. I read briefly a typical editorial from one of the Scripps-Howard newspapers. This editorial appeared in the Cleveland Press recently. It is captioned "Setback for a Boondoggle." It reads as follows:

SETBACK FOR A BOONDOGGLE

Give the House of Representatives credit for a stout fight against a $12 million boondoggle which may yet be avoided.

This is the proposal to finance a new army of civil defense employees, working at the State level, paid half by the States, half by the Federal Government.

The Senate has approved the project. The House turned it down recently for the third time. Something has to give. The item is part of the independent offices appropriation bill, containing money for a variety of essential Government operations.

The House should hold the line because this $12 million is only a foot in the door, opening the way for still further expansion of this futile bureaucracy.

Insistent pressure for this needless addition to the public payroll is best explained in terms of the law expounded by C. Northcote Parkinson, professor of history at the University of Malaya, in Singapore, as follows:

"In any public administration or organization, the number of new subordinates increases at a predictable rate, irrespective of any variation in the amount of work (if any) to be done."

After all this time, and the overwhelming votes in the other body something must give. The Senator is in agreement with that statement, is he not?

Mr. MAGNUSON. I do not agree with the editorial, because I believe this item would pave the way to local participation in the proper degree. Governor Hoegh is doing an excellent job. It was my hope that the situation could be handled in this way, and that we could take away from some of the amounts of money at the Federal level.

This is an intangible matter. If nothing should happen, someone might say in the future that we wasted a great deal of money. If something should happen, and we did not have an adequate civil defense program, we would be sorry. I believe that in the past the Federal organization has been loose. Some of the criticism of the Senator from Ohio has been well founded. I was hoping that we could switch into local participation, which would result in building up local enthusiasm and local interests in matters of civil defense. That is the only reason the Senator from Florida [Mr. HOLLAND] and I, and some of the rest of us insisted on this item, not because we wanted wasteful expenditures, but because we thought we would get more out of civil defense with this sort of program, rather than what has been happening.

Mr. YOUNG of Ohio. Does not the distinguished Senator from Washington know, from the fact that he is a student of history, and also from the fact that he served in the Armed Forces in World War II, that the defense of civilians in this country is a part of the total defense of our country, and that in the event of any sudden atomic attack on any part of the Nation, whether by accident or intent, the President of the United States, as Commander in Chief of our Armed Forces, would immediately declare martial law, and the military would be in charge? No civilian agency would have anything to do with it.

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

Mr. MAGNUSON. I yield.

Mr. HOLLAND. The Senator from Ohio is correct in at least one thing he said, and that is that if there were an atomic attack all the military forces would be active—that is, those that were left—and military law would prevail.

However, I think he is just as wrong as it is possible for a person to be in assuming that the military forces would have trained men and women to take care of the situation, or that they would know what to do, or could in any way substitute for or serve as a duplicate of the availability of thousands of trained men and women in various civil defense units.

Having served during World War II as Governor of my own State, when the emergency could not possibly be as great as it would be now in the event of a ca-

tastrophe of the kind I have mentioned, I know that we had to rely on the presence, availability, and immediate services of thousands of trained citizens.

I have already said in earlier arguments on this question that we had 338,000 trained Florida citizens in civil defense.

I think it would be a tragic mistake to postpone doing the thing which would carry out in good faith what the Federal Government committed itself to the States to do by legislative action only a few months ago.

I cannot express too strongly my regret and disappointment. However, the Senator from Washington has done everything he possibly could, and his associates as conferees have done the same. I was privileged to serve as one of them.

I think there is nothing to do but to move ahead and accept the bill without that item. But I will not pretend that I am at all satisfied with the result, because I think it is a mistake from the standpoint of best serving the people of our country. I want the RECORD to show that that is my opinion.

Mr. SALTONSTALL. Mr. President, I concur wholeheartedly in the motion to recede which the Senator from Washington has made. The Subcommittee on Independent Offices of the Committee on Appropriations considered the subject. The House originally left all this amount out. The Senate restored the full amount of $12 million as the Federal contribution to the State offices for assistance and $3 million for equipment, as the Senator from Washington has said. This was our effort to comply with the act which was passed last year, authorizing the Federal Government to assist in certain ways in building up civil defense.

The Senate conferees had two or three conferences with the House conferees on the subject. The House was unyielding. The House passed this item, as the Senator from Washington has said, on two votes, one a voice vote, and one a yea-and-nay vote, with quite a substantial number of negative votes.

The Senate, on July 30, insisted on its position by a vote of 76 yeas to 8 nays. Since that time we have held one more conference, with no results.

Last week, under date of August 25, 1959, President Eisenhower sent a message to the President of the Senate. I read two pertinent paragraphs:

> For fiscal year 1960, my budget for the Office of Civil and Defense Mobilization included $12 million to be allocated among 9 departments and agencies needed to finance civil defense and defense mobilization programs. The $3 million provided does not enable the Federal Government to carry out the responsibilities contained in the National Security Act, the Defense Production Act, and the Federal Civil Defense Act.

That matter is now before the committee, Senate Committee on Appropriations again, in relation to the Federal Government.

The President continued:

> It would be unwise to neglect our civil defense mission because our total defense is incomplete and meaningless without reliable and responsible home defense. Survival cannot be guaranteed merely with a capacity for reprisal. Equally important is our ability to recover. This means staying power and endurance beyond that ever before required of this Nation or any nation.
>
> I recommend that the Congress appropriate the funds outlined above to carry out these programs which are so vital to the national security. The details of this proposed appropriation are set forth in the attached letter from the Director of the Bureau of the Budget.

That applies to the work of the Federal Government and the agencies of the Federal Government, but it alone is not enough. The provision which the House will not allow, and from which the Senate will recede today, would carry out the responsibility of the Federal Government to the States and municipalities.

I agree with the statement of the Senator from Ohio [Mr. YOUNG] that we should stimulate greater civil defense activity. I agree with what the Senator from Florida [Mr. HOLLAND] has said.

It is with great reluctance that I join in the motion of the Senator from Washington, but I feel that the conferees have done everything they can, and that if we are to have an independent offices appropriation bill—and we know we must have one—then we at this time will have to recede from this item, hoping that the President may submit it to Congress again.

I am certain that the President feels very strongly that civil defense, when we are spending so many millions of dollars on our national defense, is an integral part of the whole defense security program.

Mr. JAVITS. Mr. President, I am not quite prepared to throw in the sponge on this proposition. I think we have reached a point where the toughest fellow has got to win. I cannot conceive of the House of Representatives, any more than I can conceive of the Senate, jeopardizing the independent offices appropriation bill because of this item. The matter has come down to the interesting stage which legislators reach when the fellow who holds out the hardest and the longest may win. Now we must decide whether we will do that in respect to this bill.

I have little doubt that if we want to sit here and wait out the House, the House will not let the independent offices appropriation bill go for a matter of $15 million any more than it is proposed we should. The question is, How serious is this issue, and how much longer are we ready to fight it out?

This kind of action has happened before in legislatures. If the Senate or the House really wants $15 million, it can get it. The Senate can get it by including the funds in a bill which the House wants urgently, if we assume we have to yield on this bill. If we really want to do it, we can find a way to do it.

What I should like to ascertain from the distinguished Senator from Washington, the chairman of this particular subcommittee, and also from the chairman of the primary Committee on Appropriations, is, Are we trying, in a supplemental appropriation bill, or in some other way, to get this money?

I should like to explain my position. First, I could not agree more than I do with the Senator from Florida [Mr. HOLLAND] that the idea that the Army, the Navy, and the Air Force will take over the civil defense of the United States is completely impractical. I should like to see the faces of the people who make such a recommendation when the Army, the Navy, and Air Force come before the committee with their estimates of appropriations for what is needed, if they were given that responsibility. We would not have a budget of $40 billion for them; they would have a budget of $50 billion or $60 billion. We all know that in our hearts.

So, in my opinion, there is no real substance to this argument. If we are going to give the Defense Establishment the responsibility for civil defense, is it planned to give it to them the day after an atomic attack, or now? If it is intended that we give it to them now, we can count on not less than a $10 billion increase in the appropriations for the Army, the Navy, and the Air Force.

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

Mr. JAVITS. I yield.

Mr. HOLLAND. I want the Senator from New York to understand that some members of the conference—I believe every Senate conferee—felt about this matter exactly as the Senator from New York and I feel. There were, however, various items in dispute. Some of them were of very great importance to the ability of various important and functioning agencies to continue to operate. One of the items involved—although in another bill—was the $280 million necessary to start the operations of the Inter-American Bank.

Having served a good many times and for a long period of time on conference committees, I may say to the distinguished Senator from New York that I think the conferees of the Senate gave in only where they had to, and they gave in only on items which they regarded as, while important, not so overwhelmingly important as some upon which they prevailed.

I hope the reluctance of the Senator from New York to accept the result of the conference, a reluctance which can be no greater than that of the Senator from Florida, will not prevent him from realizing the great difficulties experienced in a situation which involves in one bill, as in this, hundreds of items, and in the group of bills which involve the same conferees, meeting from day to day on different bills, many more items than that. In the last analysis, there has to be some give and some take. But I assure the Senate that no one could have fought harder for this item than did the chairman of the Senate subcommittee, the distinguished Senator from Washington [Mr. MAGNUSON], and the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who are both on the floor at the moment. The Senator from Massachusetts is a former Governor of his State, and had somewhat the same experience in this matter as did the senior Senator from Florida, during World War II. The same is true of other Senators to whom I could refer. I do not know how we could go further

without jeopardizing the enactment of the independent offices appropriation bill, which embraces appropriations totaling several billion dollars.

Mr. MAGNUSON. It is close to $6 billion.

Mr. HOLLAND. The Senator from New York must realize, I am sure, that not only was that amendment applicable to many different agencies involved in the one bill, but that the same conferees, in large part, were sitting in conference on other bills, so we simply had to have some give and take. The items for veterans were contained in this particular bill, and every member of the conference happened to be a veteran. A considerable number of the conferees happened to be men who had had the responsibility of serving as governors during World War II.

So I am sure the Senator from New York will recognize, as I know he does recognize, because I know he has a generous nature, that this matter was not given up without a determined fight; on the contrary, we simply came finally to the end of the road. It is simply a question of making this concession, or making much greater ones in other fields, or of losing the bill as a whole.

Mr. MAGNUSON. Mr. President, I know of the deep interest which the Senator from New York has. His thoughts are the same as mine. But we should not overlook the fact that there is a big sum in the bill for civil defense. The only dispute was over this one particular item, which covers a new phase of the program, namely, grants in aid to establish units, which I agreed to.

Mr. JAVITS. And all this is money on which we had passed legislation.

Mr. MAGNUSON. Yes; and the States went ahead.

The House receded on amendments involving millions of dollars for civil defense; and we did not have much trouble getting what we think is a really adequate amount for the program, except for this particular grant to the States.

Mr. JAVITS. Let me ask the Senator from Washington a specific question; but first I wish to say that my reasons for speaking are, first, to make a personal protest; second, to urge the country to protest to those in the House of Representatives who, it seems to me, have not dealt wisely with the country's interests; and, third, to ascertain from the Appropriations Committee whether, if in January the administration requests a supplemental appropriation for this same item, in order to implement this legislation, it will be regarded sympathetically, and whether these members of the Appropriations Committee will feel prepared to make another fight for it.

Mr. MAGNUSON. I have for many years looked at the civil defense expenditures, and they have bothered me because sometimes it seems as if there has been a great deal of waste, although not intentional waste, because I think Governor Hoegh has been one of the best I have seen.

But this item to transfer more interest to the local communities, such as New York has done, seemed to me to be a good way to get something worth while out of the civil defense and to build it up in the local communities; and the Director felt that way, too.

So, insofar as I am concerned, I would say it would be a must, because if civil defense is to be successful at all, even in its peacetime job, there must be this shift to the local communities. So to me it is a must.

I cannot speak for the administration; but in view of the President's letter and the testimony and the personal talks I have had on this matter, I am quite sure there would be an item for it; and then I think we can meet this matter squarely; we can say, "What kind of civil defense are we going to have for the country? Are we going to have a big, sprawling agency in Washington?"

Of course it is always difficult to do a good job with a large, sprawling agency. Are we to have such an agency in Washington, or are we to handle the work in the local communities?

Mr. JAVITS. Then does the Senator from Washington agree that we would sympathetically invite the administration to take that action in January, rather than to say, "Sorry, but we cannot do anything about it, anymore?"

Mr. MAGNUSON. I think that is what we should do, because this is not just a dollars and cents matter. This matter involves a policy. I believe we should meet the problem head on.

It is true that in connection with this bill, under the resolution the agencies can pay one-twelfth of what their last year's appropriations were. But the Senator from Massachusetts [Mr. SALTONSTALL] and I have seen many new agencies included—for instance, the Federal Aviation Agency, with appropriations of millions of dollars; and the Veterans' Administration, with appropriations of more than $5 billion; and other additions, because of new laws which have been passed, including the one for new pension systems.

It is very difficult for those in charge of the agencies to know how to administer them properly when they do not have the necessary funds for each branch of the work, and must use one-twelfth of what they had the year before, in order to provide properly for so many agencies, including the new ones, such as the Space Agency and the other agencies. But after watching the civil defense expenditures on the Federal level, I am convinced that what is proposed is the only answer to the problem, if we are to have civil defense.

I believe that Governor Hoegh is convinced of that, too.

Mr. SALTONSTALL. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER (Mr. LONG of Louisiana in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. JAVITS. Of course, Mr. President.

Mr. SALTONSTALL. I agree with everything the Senator from Washington has said. I can add that, from personal conversations and observations, I am confident that the President feels very, very strongly that civil defense is a very important part of our whole security program; and I am confident that he will send down a supplemental request, when he believes the proper time has come.

Mr. JAVITS. Yes; and I gather that these Senators who have spoken will give it their full support.

Mr. SALTONSTALL. Of course we will.

Mr. MAGNUSON. Yes.

Furthermore, many of the ex-Governors who served in this connection knew this problem.

Of course, I think New York has done an excellent job in creating public interest in this matter. But many other States have not done so. So I think what is suggested is the only way we can get the local people alerted to the problem. They are doing good work in many other respects at the local level. The new arrangement will enable those in the local groups to feel that they are doing something worthwhile, and they will proceed to do it.

Certainly it is most difficult to handle this matter from Washington. There must be overall supervision; but the local interests must act in the local communities.

I appreciate the attitude of the State of New York in connection with this matter, because I believe that in this particular field, New York has led the other States; and I compliment New York on doing so.

The Senator from Massachusetts [Mr. SALTONSTALL] and the rest of us have a deep interest in this matter. But in view of the problem and the circumstances, and in view of the passage of so much time, we felt that what has been agreed to was the best way we could handle the matter.

The Senator from New York realizes full well, I know, that we have held it up for almost 3½ weeks.

Mr. JAVITS. That is true. Indeed, I requested the Senator to hold it up, so we could try to make some progress with it.

I feel, Mr. President, that a real contribution is being made by the chairman of the committee and its ranking minority member, the Senator from Massachusetts [Mr. SALTONSTALL], in giving assurances that they will do all they can to encourage the administration to seek relief by means of a supplemental bill.

Another matter of importance is that of aid to the communications media of the country, which will alert our people to what has occurred here, and will inform them why it has occurred. In my opinion they can be most helpful in correcting what I believe is now a matter of very grave disadvantage to the Nation.

In order to provide some documentary background for that position, in case any of those who shape public opinion should wish to have it, I shall call attention to some matters other than those alluded to by the Senator from Massachusetts.

For instance, I refer to the resolution on civil defense which was unanimously adopted at the 51st Governors' Conference at San Juan, P.R., on August 5, 1959. In the resolution the Governors backed up the importance of civil defense prepa-

rations, both on the national level and on the State and community levels; and they made the following significant statement, which I believe should be written on the wall of the municipal building of every town and city in the Nation:

Without protection against fallout, we are vulnerable to nuclear blackmail.

Mr. President, I repeat that statement:

Without protection against fallout, we are vulnerable to nuclear blackmail.

Therefore, Mr. President, this matter goes to the very elemental question of the survival of our country, because the Governors themselves have highlighted the need for civil defense protection; they have pointed out that it is organic to the whole posture on which we have built—namely, the posture of the power to retaliate—in other words, the mutuality of terror, as it is called—as being our most effective defense; and in this case they point out that without a civil defense establishment, we may be subject to nuclear blackmail.

Mr. President, another matter which has not been alluded to—or, at least, not since I have been on the floor—is the report of the Joint Congressional Committee on Atomic Energy issued August 30, 1959—only a few days ago—in which they comment on a situation which they developed scientifically, and which they considered to be a reasonable facsimile of what we might very well face in the event of an atomic attack. They list as the likely targets of such an attack the following cities: New York City, Chicago, Boston, Detroit, Los Angeles, Philadelphia, Pittsburgh, Cleveland, San Francisco, St. Louis, Washington, Atlanta, Buffalo, Cincinnati, Dallas, Houston, Kansas City, Milwaukee, New Orleans, and Denver.

Mr. President, what do they anticipate would happen in the event of such an atomic attack? They refer to the possibility of sudden death for 50 million Americans, and serious injury to approximately 20 million Americans, and the destruction of approximately 50 percent of American dwellings; they believe they would either be destroyed or would be made unusable for months, because of the atomic fallout. All this was stated in the New York Times, in connection with the report of the Joint Committee on Atomic Energy.

Mr. President, if we needed any other certification as to the validity of civil defense, the same report finds, and it is labeled as probably the most significant finding, that civil defense preparedness would reduce radiation casualties from approximately 25 percent to about 3 percent.

Mr. President, are we blind, are we insensitive? Are we so hardened that we cannot understand the realities of our own survival? Yet that is what one would think when he faces this kind of situation of obdurateness pictured to us by the conferees.

The money involved, some $6 million, to help the States to obtain technically skilled and professional personnel for civil defense, is not going to be spent to maintain a bureaucracy. We have been over that and over that and over that, time and time again. It is to maintain those inexpensive, relatively few personnel necessary to marshal civil defense programs in which hundreds of thousands in my State of New York are patriotically engaged without hope of compensation. This is how we shall recognize them for their patriotism.

In the State of New York the total number of civil defense personnel is 305,167. The total number of personnel paid from civil defense funds is only 800, leaving 304,367 dedicated individuals who are serving in this field. And this is how we recognize and thank them.

In the State of my friend from Ohio, who has rather different ideas from those of some of us, there are 137,652 civil defense personnel, of whom only 76 are professional and technical personnel paid from civil defense funds.

It seems to me that these facts and this evidence just cry out to high heaven.

Though we are frustrated and blocked now, my own opinion, even at this stage, is that if we felt deeply enough about it, we could get our way. But the realities of the situation, with the subcommittee pretty well united as such, are that we shall probably have to—in fact, we are compelled—to go along with them now.

But this is a matter which deserves the utmost protest and the deepest concern on the part of the people of the country who are really taken up with the issue of survival and national defense in their truest sense.

I hope very much the good conscience and the good sense of the United States will in the next few months assert themselves. Knowing the operations of the administration, I am very glad it has been made clear that a supplemental appropriation application by those concerned will be sympathetically considered. There is always the danger that unless that statement is made on the floor of the Senate, they may do nothing about it at all. I hope they will bring in such a supplemental request in January, and at that time I hope very much the members of the Appropriations Committee will put us in a posture of being very much better able to overcome what I consider the obdurate and very unwise blocking of this matter by the House of Representatives which we have seen up to now.

Mr. President, I have just one further observation. I had had in mind the idea of getting a rollcall, if I could get one, on this particular proposition, but I look very much with dismay upon the Senate, which voted 76 to 8 on this proposition, allowing itself to be bested on a matter of such critical importance to the security of the country and the safety of the people that I do not wish, as a Senator, to stultify the Senate by asking it to vote on a rollcall on this issue, unless the leadership desires it.

I wish to record my own protest. I shall vote "no" on this proposition. I assure any of those who are interested as much as I am on this question that I shall continue to fight for this item.

I deeply feel, I may say, with all due respect to the conferees, that if we really have our teeth in this thing we can find a way to prevail. I cannot conceive that the Senate of the United States cannot get the House to yield on a $15 million item if we really have our teeth in it.

In view of the frustration and dismay with which the people should regard this matter, I hope we shall really have our teeth in it.

Mr. President, I yield the floor.

Mr. KEATING. Mr. President, the State of New York, as the distinguished Senator from Washington has said has taken the lead in an effort to come to grips with this civil defense problem. I commend my colleague for what he has said. It seems strange to me, as I am sure it must to the country, that after such an overwhelming vote we in this body should recede from our position.

I shall vote "no." I should like to see this matter put to a vote again.

The distinguished Senator from Florida has said here on the floor that every one of these conferees is a veteran. Mr. President, they are fighting men. I know my distinguished friend from Florida, and my distinguished friend from Massachusetts. They are fighters. My distinguished friend from Washington, the chairman, is a fighter. Every one of them is a fighting man. I feel sure they would be ready to go back to this conference and fight again. They will not give up. That is their reputation. I commend them for it. I would like to see this matter sent back so that it again may be taken up with the House conferees. However, I share my colleague's view that unless we have some support from the leadership on one side or the other, there is little chance that the Senate would reverse itself on a rollcall.

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

Mr. KEATING. I yield.

Mr. SALTONSTALL. I have said before that it was with the greatest reluctance that I came to the conclusion I reached, but there are between $6 billion and $7 billion involved, items concerning many other departments, and we have had at least four meetings on this subject, with no change whatsoever. It is only because of those facts that I accepted the position we have taken.

Mr. KEATING. I appreciate that, and I appreciate that every member of the conference on our side has fought, and fought hard. I say go back and fight again.

I yield to my friend from Florida.

Mr. HOLLAND. Mr. President, I had not asked my distinguished friend to yield. I was interested in his impassioned eloquence.

Mr. KEATING. Particularly about the Senator from Florida.

Mr. HOLLAND. I may disclose to him that no less eloquence was used in the conference, and there were items involved which were of great importance. I recall one that was involved as to which a group of Senators refused to sign a conference report and got up and left. I see my two friends, the Senator from Massachusetts and the Senator from North Dakota, smiling, because they remember the incident.

We have to decide where to make our supreme fight when we are dealing, as we

were in this case, with a bill that involves $6 billion, and I do not remember how many agencies, and hundreds and hundreds and hundreds of items, and when we were dealing with other bills, with largely the same group of conferees, on alternate days. We cannot run at full speed all the time.

All I can say is that we have every reason to believe that when the matter comes up after the first of the year we will be successful in our efforts to obtain this appropriation. Further than that I cannot say. I wish I could say we had won 100 percent of the controversies but in the very nature of things that rarely happens in conferences.

Mr. KEATING. I realize that. I know how hard the Senators have fought.

In other words the position of my friend from Florida is that sometimes one has to yield a tactical position in order to gain a strategic objective. I am sympathetic with the conferees.

I am not happy about the situation in which we find ourselves. I cannot observe any assurance that when the matter again comes back to us in a supplemental next year, we will not be faced with exactly the same situation, but perhaps the Senate conferees, having been refreshed in the meantime, will be able to make an even greater and more herculean effort in their controversy on this matter with the other body.

I understand some of the House conferees were with us, but that there simply were not enough of them. I am told that my distinguished colleague from my neighborhood, Representative OSTERTAG, was back of this move, and I commend him for it.

Mr. President, I shall vote "no," but I shall not ask for a yea and nay vote, under the circumstances.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON] that the Senate recede on amendment No. 1 to the independent offices appropriation bill.

The motion was agreed to.

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

Mr. YOUNG of Ohio. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 4, 1959, p. 18109, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

Mr. STENNIS. Mr. President, the conference report on H.R. 8575, the military construction appropriation bill for 1960, contains $1,363,961,200. This is an amount $78,958,500 over the House recommendation and $64,217,500 under the Senate recommendation. It is an amount $199,238,800 under the budget.

For the Department of the Army, the appropriation is $263,632,300.

For the Department of the Navy, the appropriation is $204,112,400.

For the Department of the Air Force, the appropriation is $776,832,500.

In addition, it includes smaller amounts for the Department of Defense and the Reserve components of the three services, which I shall discuss later.

As is true of most conference reports, the position of the Senate conferees was not upheld in all instances, and there have been items deleted from the bill which we would have preferred to have included. On the other hand, I believe that the bill which is now before the Senate is a good measure, and will provide the necessary military construction to strengthen our defenses in the coming year.

On pages 3 and 5 of the conference report, Senators will find a list of the items and amounts which the conference has included in addition to those provided in the House report on this bill. I shall describe certain highlights included among these changes. On such items as I do not cover, I shall be glad to answer any questions which are propounded.

The conference committee considered and approved, with one minor exception, the amounts as recommended by the Senate for all hospital construction in the three services. In this connection, the conference report specifically directs the Secretary of Defense to apply the funds provided on a utilitarian basis to meet essential needs and maximum utilization of existing private and governmental medical facilities in the area. The conference committee is also directed that available equipment be utilized to equip these hospital prior to initiation of new procurement, including fixed equipment and other equipment not normally financed from construction funds. Certification of compliance with these conditions is directed.

I believe one item, location 12, Japan, deserves specific reference. In providing $1,700,000 for this project, the conferees are in agreement that these funds are available only for the purchase of local currencies available through the U.S. Treasury and to be used only for the construction of facilities, other than housing and community facilities, at this location. It was the unanimous opinion of the conferees that the greatest use possible should be made of the Commodity Credit accounts in foreign countries.

For the Department of the Navy, the conference action added $24,064,400 to the amount provided in the House bill. The conference committee deleted $7 million for North Island, San Diego, Calif., and $1,271,000 for Ford Island, Hawaii, which were included in the Senate bill. These funds would have provided berthing wharves for the large *Forrestal*-type carriers. The Senate conferees strongly urged the inclusion of this construction. However, the House conferees were adamant in their belief that existing facilities were adequate to meet operating requirements in the immediate future.

For the Department of the Air Force, the conference action added $20,215,900 to the amounts provided in the House bill. For aircraft engines inspection and repair shops and aircraft maintenance field shops, the conference provided a lump sum of $2,650,000. The conferees agreed that these funds should be allocated to specific locations upon a priority to be determined by the Department of Defense, with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops. For ground powered equipment shops, the conference committee agreed to a lump sum of $750,000 to be allocated on the same basis.

No funds have been provided for Mace facilities overseas. The conferees agreed that since the Secretary of Defense has not as yet made a determination as to the procurement and deployment of the Mace missile, no funds should be provided for the construction of facilities in support of this missile. However, if a determination is made, the Secretary of Defense, after notifying the Congress, is directed to use available funds within this appropriation including funds from prior years for the construction of the necessary facilities.

For the Department of Defense, $23,200,000 is included for the loran stations, and $23,545,000 is included for the Advance Research Projects Agency construction.

For the Reserve components, the conference committee approved $20 million for the Army Reserve, $8,980,000 for the Navy Reserve, $4 million for the Air Force Reserve, and $16,440,000 for the Air National Guard.

For the Army National Guard, $23,219,000 was approved, an increase of $12,219,000 over the House. The increase referred to provides for 86 authorized National Guard armories in 30 States for which local funds are immediately available. The action was based on the belief that State and local cooperation should not be discouraged and that the growing backlog of National Guard Armory construction projects should be reduced. A list of projects added by the Senate is found beginning on page 37 of Senate Report No. 752.

Before I close, I wish to thank sincerely all the members of the House and Senate conference committee for the part they played in providing what I believe to be an excellent report. For an entire week these members labored diligently in a spirit of cooperative un-

derstanding, considering each item on its individual merits. I trust that the conference report will be approved quickly.

Mr. President, I ask unanimous consent that a tabulation showing congressional action on the military construction appropriation bill be included at this point in the RECORD.

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

Congressional action on H.R. 8575, the military construction appropriation bill for fiscal year 1960

Title (1)	Appropriations, 1959 (2)	Budget estimate, 1960 (3)	House action (4)	Senate action (5)	Conference action (6)
Department of Defense:					
Loran stations	$20,000,000	$23,200,000	$23,200,000	$23,200,000	$23,200,000
Advanced Research Projects Agency	50,000,000	(1)	23,545,000	23,545,000	23,545,000
Regular Forces:					
Army	230,000,000	341,000,000	241,564,100	278,773,700	263,632,300
Navy	295,000,000	244,000,000	180,048,000	225,785,400	204,112,400
Air Force	785,000,000	[1] 894,000,000	756,616,600	803,495,600	776,832,500
Reserve components:					
Army Reserve	[2] 6,250,000	20,000,000	20,000,000	20,160,000	20,000,000
Navy Reserve	8,000,000	9,000,000	8,589,000	9,000,000	8,980,000
Air Force Reserve	(3)	4,000,000	4,000,000	4,000,000	4,000,000
Army National Guard	(4)	11,000,000	11,000,000	23,219,000	23,219,000
Air National Guard	9,600,000	17,000,000	16,440,000	17,000,000	16,440,000
Total	1,403,850,000	1,563,200,000	1,285,002,700	1,428,178,700	1,363,961,200

[1] Budget estimate for Sentry and Midas programs totaling $23,545,000 contained in Air Force request.
[2] Includes funds for Army Reserve and Army National Guard.
[3] Included in "Military construction, Air Force."
[4] Included in "Army Reserve Forces."

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

Mr. STENNIS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add to what the Senator from Mississippi has said that the Senate conferees felt very strongly on these subjects, but had to yield because of items felt to be even more important. The berthing of the carrier of the *Forrestal* class at San Diego is important, and even more important is the facility at Pearl Harbor, where there is involved the loading of ammunition aboard the ship.

Mr. STENNIS. Yes.

Mr. SALTONSTALL. The Senate conferees also felt that the powerplant at Guam was very important.

Mr. STENNIS. The Senator from Massachusetts is correct. That item was deferred.

All of these items are part of the Pacific complex or the Pacific pattern of our national defense. We think they are items which should be started as soon as reasonably possible. The House conferees agreed this action was not a rejection of these items, but that the items would be approved at the proper time.

I wish to invite particular attention to the item in the bill, Mr. President, providing an additional $12.2 million for the Federal part of the construction of the additional National Guard armories throughout the Nation, including 86 armories scattered through many States. Those are the ones for which the local funds are already available. The priority ratings are based upon the availability of the local funds. We did not set the priority ratings. That was done by the State authorities, and it was approved by the National Guard Bureau.

Mr. President, I thank the Senator from Massachusetts again.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. I recognize that we had no authorization for the Jacksonville National Guard Armory and nothing could be done in that regard, but I appreciate the interest of the Senator and of the other conferees.

Will the Senator advise me what happened to the item for the Marine Reserve building in Tampa, which the Senate added to the House-passed bill?

Mr. STENNIS. If the Senator will wait just a minute I will check. That was one of the last items. I know we insisted quite strongly on that item.

I wish to say to the Senator from Florida that I am glad to report that the Marine Reserve building for Tampa, Fla., is in the bill.

Mr. HOLLAND. I appreciate that action on the part of the conferees, and I particularly thank my friend, the Senator from Mississippi.

Mr. STENNIS. Mr. President, if there are no other comments or questions, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

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

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

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives on the military construction appropriation bill, H.R. 8575.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8575, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
September 4, 1959.

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) entitled "An Act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes";

That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following: $263,632,300, including $1,700,000 to be used only for the purchase of foreign currencies to construct military facilities (except housing and community facilities) for the Army Security Agency, location 12.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 2.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of S. 1748.

The motion was agreed to, and the Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, earlier today we began a discussion of S. 1748, Order No. 518. The proposed legislation is in charge of the able Senator from Louisiana [Mr. ELLENDER]. I thought he wished to discuss it. If not, and if the Senator from New York is prepared to proceed on another matter, I am prepared to yield 15 minutes to him on the bill. Mr. President, I yield 15 minutes on the bill to the Senator from New York.

JUVENILE DELINQUENCY AND JUVENILE CRIME

Mr. KEATING. Mr. President, few American domestic problems have received greater attention, fuller study or been the subject of more written words than that of juvenile delinquency. This concern has been largely focused in the postwar years and is based on the really alarming increase in the incidence of youthful violence and crime.

There is ample reason for this worry about why our young people go wrong. J. Edgar Hoover, Director of the Federal Bureau of Investigation, has estimated that at the present rate, some 1 million of our teenagers will be arrested for lawlessness in 1962. That is a shocking and sobering statistic, and in and of itself it is adequate justification for the tremendous amount of interest which has been generated in the problems of our troubled young people.

In many ways, it is a healthy thing that sociologists and churchmen, scientists and social workers, police, and government officials, as well as a bevy of private organizations, have taken such an interest in this subject. A tangible result has been greater public awareness of the great danger and challenge of juvenile crime. There have been vigorous and often successful attempts to find real solutions and provide media through which youngsters gone wrong can be turned along the paths of good citizenship.

Certainly, the problem of young people gone wrong cannot be too intensively investigated nor too thoroughly studied. But we must not lose our perspective. We must not become the victims of our academic and sociological concern to the extent that we lose sight of the needs of society and the right of citizens to be protected from violence and crime, no matter what its origin may be.

In other words, we must never forget that when teenagers organize for crime, when youngsters commit murders or repeat their lawless acts over and over again, they must be brought to book. They must be punished for what they are, criminals.

Now, this is not to say that we should not pursue with imagination and drive all efforts to get at the root causes of juvenile delinquency. We must study the many sources of teenage violence and trouble, which include broken homes, neglectful parents, substandard living conditions, economic deprivations, lack of religious training, inadequate schooling, shortsighted guidance counseling, and other factors which make for problem children.

We must recognize that the solutions to these situations and their products are not easily found and are not to be found in any one place. We must appreciate that we need to mobilize parents, churches and synagogues, youth groups, schools, social organizations, law enforcement agencies, the courts, all levels of government, and private individuals in the battle against deviates from the accepted youthful norms. We must impress upon everyone who will listen, and we must particularly pound away at those who will not listen, the need for understanding, for guidance, for sympathy and for concern about our young people.

Surely, we must pursue with vigor missionary efforts among youth groups, and indeed among youth gangs. There is much promise in some of these efforts. But enough is enough, Mr. President.

Without in the least impugning the work of sociologists, social workers and others who are working so faithfully and with dedicated zeal in this field, I say we have to get tough with these young people when they have stepped beyond a certain point. For when young people commit murder, when they repeat their offenses, then it is time to call a halt to special privileges and special consideration. Then it is time to stop being lenient and time to start getting tough, and I mean tough.

Now, of course, we all fervently hope and pray that we will not often reach this point with our young people. We all know that proper parental discipline, sound religious training, and proper guidance in the moral, spiritual, and educational spheres, will make fine, upright, constructive, and useful citizens of whom we can all be proud. Indeed, none will dispute that the church and the home are the keystones to making the citizens who will build the strong and free America we all want in the future. But when, for one reason or another, these influences have not done their job, or are not applied to the job of molding a young person, and as a result he goes off the deep end and takes out his resentments, his problems and his frustrations on society, then that society has the right—and indeed the duty—to curb him and curb him severely.

Thus, while education and sympathy are important, and are undoubtedly essential to finding long-range answers to the challenge of juvenile delinquency, they are not ends in themselves.

There is certainly such a thing as what J. Edgar Hoover has characterized as "misguided sentimentality." I agree with Mr. Hoover that if we do not draw the proper line between coddling of young people with problems and cracking down on them when it is called for, then we may "bring the law of the jungle to every American street."

In recent weeks, Mr. President, New York City has been shocked and stunned by an outbreak of juvenile violence and bloodshed. The entire world has read with horror of coldblooded murders and sadistic crimes of violence perpetrated by young people seemingly as lacking in conscience as in motive.

Such examples of teenage violence are not unusual for any large American city. Right here in Washington, although youth crimes do not appear to be as prevalent as in some other metropolises, there have been serious indications of a crime wave in recent weeks which has defied the spirited efforts of an understaffed police force.

One of the important things about these outbreaks is what is done in response to them. I have been gratified to note the speed with which Gov. Nelson A. Rockefeller of New York has acted to come to the aid of New York City officials in the present crisis.

It is true that New York's police commissioner, Stephen P. Kennedy, is doing the best he can. He has consistently advocated realistic treatment of teenage hoodlums. But often his hands have been tied by inefficient procedures, insufficient police forces, or contradictory efforts within the city administration.

Governor Rockefeller, while recognizing the need for studying sociological, economic, psychological, and related factors, has also underscored his belief that when teenagers commit crimes they must be dealt with as criminals. In an effort to draw together the best minds and mobilize the most effective forces, he has scheduled a series of meetings on the New York City juvenile crime crisis. A preliminary meeting was held yesterday by the Governor with his top State officials who deal with youth problems. These leaders will work out an agenda for a larger meeting to be held next Tuesday.

Among those who have been invited to the Tuesday meeting are Mayor Wagner, Commissioner Kennedy, J. Edgar Hoover, and His Eminence Francis Cardinal Spellman. Others include the following as contained in the New York Times report of September 2: Rev. Dan Potter, executive secretary of the Protestant Council of New York; the Reverend David Golovensky of the New York Board of Rabbis; Harry Van Arsdale, president of the Central Trades and Labor Council; Lester Granger, executive director of the Urban League; Thurgood Marshall, counsel for the National Association for the Advancement of Colored People; Joseph Monserrat, director of the Puerto Rican Labor Department office here.

Carl Loeb, president of the Community Council of Greater New York; Beatrice Quimby, executive director of the Federation of Protestant Welfare Agencies; Herschel Alt of the Jewish Board of Guardians; the Reverend Robert E. Gallagher of Catholic Charities; J. Richardson Dilworth, president of the Community Service Society.

Mr. Lefkowitz, Mrs. Caroline Simon, State Secretary of State; A. Van W. Hancock, chairman of the New York State Commission on the White House Conference on Children and Youth; Chief City Magistrate John M. Murtagh, and Presiding Justices Bernard Botein and Gerald Nolan of the appellate division here.

The response of affected officials has been of great interest and great importance. For example, the following excerpts from statements of the Governor, mayor, and police commissioner were carried on the front page of the New York Herald-Tribune of September 2:

Governor Rockefeller:

> The recent tragic occurrences of juvenile violence call for action by all of us. There is no single approach to a solution. The attack must come at all levels—by parents, churches, and synagogues, boys' clubs and other youth groups, settlement houses, the schools, social organizations, law enforcement agencies and the courts.

Mayor Wagner:

> The social welfare agencies and their workers have done fine and effective work in the field of juvenile delinquency. But when organized gangs invade playgrounds and blindly and wantonly commit murder, the handling of the matter has passed from the social agency into the hands of the police.

Police Commissioner Kennedy:

> There is no short answer, no cure-all, no panacea. It's going to take a lot of time, a lot of money and a great deal of effort. We all bear responsibility for slums, for the atrocious conditions under which some of these children live, and for discrimination. If you put a blue blanket on a festering slum, you are not curing the underlying ill.

In addition, strong editorial comment has been brought to bear on the need for additional police power in New York City and the need for meteing out sterner justice to teenage offenders. Proper recognition has been given, incidentally, to Commissioner Kennedy's adherence to the latter code, with which I heartily associate myself.

I ask unanimous consent to have printed, at this point in the RECORD, several of the many important editorials which have appeared recently in New York papers.

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

[From the New York Herald Tribune of Aug. 31, 1959]

EAST SIDE, WEST SIDE

Hardly has the city begun to get over the numbing shock of last week's killing of two teenagers on the lower East Side than it is confronted by the equally savage and senseless slaying of two 16-year-old boys on the midtown West Side. Here, only a few blocks from the country's brightest and gayest entertainment section, one group of youngsters set upon another in a dark, deserted playground, wielding knives and bottles.

The youths in the playground, who were white, say that their attackers were Puerto Rican. This would indicate that neighborhood racial conflict underlay the attack. It could also be argued that since the area is one of tenements, poor housing is a contributory factor. You can find all sorts of reasons for these things, yet the fact remains that when such outbursts occur they are shocking and shameful.

How do we deal with a state of affairs that gives this city a bad reputation and—let's face it—keeps residents of certain areas prudently indoors at night? It's a perplexing and distressing question. The first necessity, we think, is to face the problem without despair and without panic. Street toughs are an ancient phenomenon, antedating even New York. True, the modern youth gang, whether based on ethnic or neighborhood lines, is a particularly dangerous institution, but that's all the more reason for the community to keep its senses in trying to deal with it.

A second essential point is that the immediate problem is one of better policing and sharper law enforcement. We know that there are other aspects of the situation that require attention and that basic social problems will have to be tackled. But first of all we face the task, simply, of putting a stop to killings in the streets. And the only way to do that is to have enough police in the right places to act as a curb on punks, toughs, and thugs—and, far from incidentally, to safeguard peaceable citizens. A good start would be to arrest and to punish the young criminals who killed the boys on the West Side. But even that would be only a start. We simply don't have enough policemen in New York City, and we shouldn't have to be reminded of it every week by a new street-gang killing.

[From the New York Herald Tribune of Sept. 3, 1959]

"J.D."—THE WEED THAT GREW

As practically everybody has been saying, there is no short cut to solving the J. D. (juvenile delinquency) problem.

Fortunately, however, the Dracula-aroused community has progressed somewhat beyond the old refuge of the hand-wringers—that the youth crisis is to be blamed on the fearsome state of society.

This, of course, means nothing except a sort of limp rationalization for everybody's business generally turning out to be nobody's business.

In our opinion it is plain nonsense that any societal affliction like J.D. is so imponderable that it can't be resolved by intelligence and hard work.

But the trouble in New York is that we have never put enough skillfully directed energy into the job of licking or even controlling this thing.

It would seem obvious, for instance, that when murder becomes a commonplace and adolescent gangs consider crime a sport, the whole business is an outrageous affront to law and order.

Yet City Hall has never seen fit to provide Police Commissioner Kennedy with enough policemen. Instead of the 28,000 Mr. Kennedy has sought for years, the present authorized quota is only 24,508, and even this happens to be 1,074 short of fulfillment.

Now, suddenly, Mayor Wagner declaims about the need for law enforcement and says the Police Department will be brought up to quota strength right away. Our mayor has also decided that J.D. has become too hot for the social workers to handle.

But if Bob Wagner has really seen the light and felt the heat, he ought to go all out and give Police Commissioner Kennedy all, not just part, of the additional manpower needed. Or does the mayor perhaps require stimulation by Governor Rockefeller?

Our Governor has at least manifested an instant concern about J.D. out of hand. Maybe Mr. Rockefeller's town-meeting approach won't immediately accomplish much, but at least this is a call to corrective action on the entire youth front. And it is certainly long overdue.

[From the New York Times of Sept. 2, 1959]

THE ANSWER: ENOUGH POLICE

Mayor Wagner said yesterday that "when organized gangs invade playgrounds and blindly and wantonly commit murder, the handling of the matter has passed from the social agencies and into the hands of the police." Having settled that question, the mayor now faces the logical next question whether he will provide New York City with a police force of sufficient strength to do the job. He has not done this in nearly 6 years in office; he is not doing it now.

Police Commissioner Stephen P. Kennedy had 23,428 men and women in the uniformed force yesterday. He should have had 24,508 to meet quota, the number the mayor and the Board of Estimate had agreed in the budget to supply. He was 1,080 men short of quota; he said he needs at least 3,000 more than quota, or a force of 27,500, to police the city effectively.

So we can have tomorrow's meeting in City Hall to discuss juvenile delinquency, at the mayor's call, and we can have the welcome help of the State, as proffered by Governor Rockefeller, but the primary question that remains and has existed all along is when will Mayor Wagner's administration supply a police force adequate to the city's needs.

A new policeman costs $4,700 the first year, $4,910 the second, $5,435 the third, $6,081 the fourth, as automatic increments in salary occur. To this must be added $125 a year for uniform allowance. The cost will go up $100 a year January 1 for every man, with a salary increase. So the annual cost, if 4,000 men could be added to the police force immediately, would be about $20 million in taxes. This is the starting cost, to rise later. But a much larger police force is the essential answer to New York's crime and gang problem, and it is the answer the mayor is not yet willing to accept.

[From the New York Times of Sept. 3, 1959]

THE MAYOR ACTS

Without waiting for other remedies for juvenile delinquency and violence that city and State conferences may produce, Mayor Wagner has announced his determination to bring the New York police force up to quota strength of 24,508 members. This is a delayed response to demonstrated need, but it is, in our opinion, putting first things first.

We do not discount the value of other, non-police, attacks on the youth crime problem. The family, the church, the school, the social agency, must be relied upon for basic, long-term work on shaping character and conduct. But they can't take the place of the policeman on the beat for restoring law, order and safety to human life promptly in this troubled city.

The authorized budgetary quota of police strength that the mayor now promises to provide—for the first time—is insufficient, even though it means an increase of more than a thousand men. The shortened work week for policemen, the lengthened vacations, the larger inhabited area of the city to be policed and the greatly increased traffic problem have reduced the manpower that the police commissioner can apply steadily, day after day, to crime prevention. A thousand men today do not mean, in police effectiveness, what they meant back in the 1930's. Conditions have changed, and it is today's conditions that must be dealt with.

The mayor's action, tardy and still inadequate though it is, is a big step forward to protection of the people of New York.

Mr. KEATING. Mr. President, I am confident Governor Rockefeller, working in conjunction with New York City officials, will be able to come up with effective steps toward solution of the juvenile crime problem in our Nation's largest city. His forthright action in calling these meetings is, of course, characteristic of Nelson Rockefeller's way of getting right down to brass tacks on problems of the moment.

Equally typical of the Rockefeller administration is the fact that he enters this fray fully armed with careful and thorough studies at his disposal of the problem at hand. The Governor's staff has dug into the problem of juvenile delinquency in great detail and in great depth, and full reports are in the Governor's hands as he enters this battle.

It is this careful and characteristic preparation, combined with the Governor's known activist qualities and his determination to mete out stern but fair justice, which gives me confidence that sound solutions will be found to this problem. I feel sure the answers will lie somewhere between a get-tough policy and one of special consideration for youthful offenders. But I hope if there is any particular slant to it, that the forces of realistic treatment will come to the fore.

Mr. President, as I have previously indicated, I am most sympathetic to the views of J. Edgar Hoover when it comes to this problem of how to deal with teenage criminals. I agree first of all with his analysis that the abdication of parental responsibility underlies the nightmare growth of juvenile delinquency. I subscribe wholeheartedly to the fine seven-point program he has outlined to mount a great counterattack on delinquency.

I wish today to deal specifically with Mr. Hoover's view that we must show the hard-core delinquents who have no respect for law and order that we mean business. I subscribe wholeheartedly to that philosophy, which I believe has a particular relevance to the recent rash of juvenile violence in New York City.

I subscribe to Mr. Hoover's view that youths who commit vicious crimes, as well as those who are guilty of repeated offenses, are not mere delinquents. That is a very pertinent observation with regard to recent events in New York City.

At this point, Mr. President, I ask unanimous consent to have printed first, a brief summary of J. Edgar Hoover's views on juvenile crime and its curbing, as contained in the F.B.I. Law Enforcement Bulletin of February 1, 1957.

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

UNITED STATES DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington 25, D.C., February 1, 1957.

(Reprinted from the FBI Law Enforcement Bulletin)

TO ALL LAW ENFORCEMENT OFFICIALS:

Are we to stand idly by while fierce young hoodlums—too often and too long harbored under the glossy misnomer of juvenile delinquents—roam our streets and desecrate our communities? If we do, America might well witness a resurgence of the brutal criminality and mobsterism of a past era.

Gang-style ferocity—once the evil domain of hardened adult criminals—now centers chiefly in cliques of teen-age brigands. Their individual and gang exploits rival the savagery of the veteran desperadoes of bygone days. Recent happenings in juvenile crime shatter the illusion that soft-hearted molly-coddling is the answer to this problem.

Consider the band of 15- to 17-year olds in Michigan whose members last year admitted over thirty crimes, including rape and murder. In Louisiana two teen-age gangsters were given life sentences in April of 1956 for murdering a man who caught them looting his home. A 13-year-old partner, the trigger man in the killing, was sentenced to confinement until age 21. The extensive criminal records of this trio, totaling more than two dozen previous charges, included aggravated burglary, theft, assault and holdup. Not isolated instances, outrages such as these are reported day to day in newspaper headlines across the country.

In the past four years, while population in the 10-to-17 age group has gone up approximately 10 percent, arrests of individuals in these same age brackets have increased at twice that rate. The present appalling youth situation—the crux of our crime problem—demands a vigorous new appraisal. No longer can we tolerate the "tender years" alibi for youthful lawbreaking. This is certainly no time for police to be shackled by illogical restraints based on unreasoned sympathy for these young thugs. Publicizing of names as well as crimes for public scrutiny, release of past records to appropriate law enforcement officials, and fingerprinting for future identification are all necessary procedures in the war on the flagrant violator, regardless of age. Local police and citizens have a right to know the identities of the potential threats to public order within their communities.

The murder of a Maryland school teacher by a 14-year-old student last summer illustrates the danger of unwarranted secrecy. Described as "terrible-tempered" and beyond school discipline, the boy was expelled from a North Carolina school following a threat to kill his teacher. To avoid corrective action, he was quietly sent off to live and attend school in Maryland. His violent tendencies, kept hidden from both his old and new neighbors, erupted in a classroom tragedy six weeks later when he put a fatal bullet through the heart of one teacher and wounded two others.

Certainly, a reasonable leniency for children committing first offenses and minor violations is a proper consideration. However, the present major problem is no longer one of bad children but of young criminals. Law enforcement cannot be administered solely according to the yardstick of age. Justice must be meted out to each individual criminal in such measure and manner as the welfare and protection of society demand.

Very truly yours,

J. EDGAR HOOVER,
Director.

Mr. KEATING. In addition, I ask unanimous consent to have printed at this point in the RECORD, a hard-hitting and constructive series of three articles by Mr. Hoover which appeared in "This Week" Magazine on October 26, November 2 and November 9, 1958.

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

COUNTERATTACK ON JUVENILE DELINQUENCY

By J. Edgar Hoover

Director, Federal Bureau of Investigation

[Reprinted from "This Week" Magazine, October 26, November 2 and 9, 1958]

America is facing an emergency, a crisis which threatens the very future of our Nation.

It is the emergency of juvenile delinquency. The tide of youthful lawlessness is rising at a terrifying pace. By 1962 one million of our teenagers will be arrested each year—at the present rate.

My considered opinion is that we must act—and promptly. The time has come for a counterattack against juvenile delinquency. Unless this counterattack is successful no street or park in the Nation will be safe. Worst of all, every child in the Nation will be exposed to the vicious acts of the delinquent minority.

Thousands and thousands of words have been written recently about the juvenile delinquency problem. "Are the schools to blame?" "Are the parents to blame?" "Is our whole culture at fault?" are some of the questions which have been argued at length in newspapers and magazines. But now the time has come for action.

I am delighted that "This Week" magazine has asked me to propose such action in this series of articles.

MEDICINE OF TWO KINDS

In this series, I will outline what I believe to be an effective two-pronged counterattack against juvenile delinquency designed to (1) bring existing delinquency under control and (2) prevent future delinquency.

But first let's define the scope of the problem.

During 40 years in law enforcement I have seen thousands of youths skid downward along the path from minor delinquency to vandalism, petty theft and progressively more serious crimes. Those of us who recognize juvenile delinquency as the training school for adult crime are seriously alarmed at its increase.

Here are the statistics that worry me and all law-enforcement officers: During 1957 persons under 18 years of age comprised 53 percent of all arrests for the major offenses against property. Last year, more than two-thirds of the auto theft arrests, over one-half of the burglary and larceny arrests, and one-fourth of the arrests for robberies in cities involved juveniles.

NO ONE IS IMMUNE

Throughout the United States, an estimated 740,000 youngsters under 18 years of age were arrested last year. This is 3.3 percent of the population in the 10-to-17 age group, and it means that one out of every 30 youngsters was arrested for violating the law.

Since 1952, our juvenile population has increased approximately 22 percent. Juvenile arrests in the same period have risen 55 percent!

And the offenses committed by young people are characterized by more violence, more contempt for law and order. In every one of our cities terror runs down the street as youthful hoodlums grow increasingly bold and vicious.

This is the scope of the problem, a problem which cannot be dismissed as affecting only one area or one class. Juvenile delinquency and juvenile crime are not restricted. No child—rich, poor, city dweller or suburbanite—is inherently immune to delinquent behavior.

Delinquency is a world-wide disease. A recent study in Great Britain disclosed sharp increases in sex offenses, drunkenness and crimes of violence among British teen-agers, notably the "Teddy Boys." In Russia, an official Soviet Government booklet entitled "The Fight Against Hooliganism" reveals that knifings, beatings, thefts, and destruction of property by Soviet youth constitute a menace of great concern behind the Iron Curtain.

But we're concerned with the causes of juvenile delinquency in the United States. I believe that this menacing cloud, mushrooming across the Nation with its terrifying portents for the future, is indicative of a deep-seated national illness. I am certain that here is proof once again you cannot dance without paying the piper. Over the past quarter of a century, all too many Americans have been ignoring the basic traditions of work, discipline and vigilance on which our Nation was founded.

VALUES ARE TO BLAME

We seem to have misplaced the sense of values which made this a great Nation. Self-indulgence and the principle of pleasure before duty on a vast and growing scale have become a phenomenon of our adult world. These are warning symptoms of the "decadence disease"—which has contributed to the decay of so many civilizations throughout history.

When children, without discipline and without moral standards implanted by a stable home, are thrust into a culture in which pressures from every direction promote the principle of self-indulgence, what reaction can be expected? To such children, restraints are unbearable. When they want something, they take it.

These childern are victims in a very real sense. They are the victims of a society which has substituted indulgence for discipline. They are the victims of a breakdown of authority and moral standards in the home, in the neighborhood and—too frequently—in the entire community. And they are the victims of those practitioners of expediency who have blurred the lines between right and wrong, good and evil.

So in large part the juvenile delinquent is a by-product of our self-indulgent age. As such, he deserves understanding and sympathy, as well as an effort to rehabilitate him. Yet, while seeking to save those who can be salvaged, we must not make the mistake of adding to the problem by repeated, misplaced leniencies.

The treatment accorded youthful criminals must be fair, reasonable and realistic.

I have been called an advocate of the "get tough" policy. To an extent, perhaps I am. I have seen too many instances in which repeated leniency has encouraged misbehavior, and I have also seen occasions when the policies of a realistic judge proved to be very effective deterrents to crime.

The "I can get away with anything—I'm a juvenile!" attitude on the part of scores of young hoodlums is a clear-cut indication of how sentiment can supplant sense. Too frequently, misguided sentimentality, along with a policy of blanketing all youthful offenders under a protective covering of anonymity, actually encourages juvenile misbehavior. The knowledge that one can

get by, not once but time after time, breeds bitter contempt for law and makes a mockery of our system of justice.

Let me repeat here what I have said many times. I heartily endorse reasonable consideration for childern involved in minor delinquencies and first offenses. I do not, however, believe that the umbrella of special privilege should be held impartially over all juveniles, including those who commit heinous crimes or those guilty of repeated offenses. Leniency is misdirected when it is applied repeatedly to those whose every act expresses disdain for law.

PRELUDE TO WORSE CRIMES

When "I can get away with anything—I'm a juvenile!" becomes the scornful slogan of increasing numbers of youthful cynics, we need to be wary. Such youngsters, through actual experience, are beginning to visualize themselves as immune from the law. If they get by repeatedly with the little things, the temptation grows. All too often the little things have become a prelude to really vicious crime.

I do not exaggerate when I use the word "vicious." The appalling rise in juvenile crime is equalled only by the increase in violence and brutality displayed in the commission of such crimes.

The three most prevalent juvenile offenses are—burglary: In 1957, 54.8 percent of all arrests for burglary involved youths under 18. Example: On the West Coast last fall, two boys, aged 15 and 13, were surprised by a merchant while they burglarized his store. One of the boys fired a .22 caliber pistol at the businessman, killing him instantly. The gun had been stolen in a previous burglary; larceny: In 1957, 51.3 percent of the persons arrested for larceny were youths under 18. Example: A series of burglaries and larcenies committed on the East Coast was finally traced to a small juvenile gang. Among their other crimes: making bombs out of stolen explosives in order to blast open the coin boxes in telephone booths; and auto theft: In 1957, 67.6 percent of all arrests for auto theft were youths under 18. Example: Last June, a young hoodlum arrested in a stolen car admitted a number of crimes in Texas, California and Arizona. His ambition: to "shoot it out" with the police some day. "I've taken shots at officers, and I've been shot at before," he boasted.

The three most vicious youth crimes are—rape: In 1957, 19.5 percent of all arrests for rape involved youths under 18. Example: On the East Coast a few months ago, a young couple in a parked car was held up by three teen-age hoodlums. The girl, aged 15, was separated from her companion and taken to a remote area where the youths attacked her; assault: In 1957, 7.8 percent of the persons arrested for assault were youths under 18. Example: In Washington last summer, ten youths in two cars stopped their vehicles, jumped out, beat three young sailors, leaving one unconscious, and fled. Two of the youths were apprehended a short time later. They could give no reason for the assault; criminal homicide: In 1957, 6.4 percent of all arrests for criminal homicide were youths under 18. Example: Last December the robbery spree of a juvenile gang ended with the shooting of a liquor-store proprietor. None of the gang members was over 17 years old. For the youth who pulled the trigger, this killing was the culmination of a series of vicious crimes.

In many ways the second list is more frightening than the first. And for a very good reason. In recent years, reports on youth crimes have indicated a mounting savagery, a senseless brutality which makes one's blood run cold.

I will list just two examples of this nightmarish criminality:

New York—Two young men, refugees from Communist tyranny, were quietly walking along the street. When they stopped to ask directions of a trio of youths, they were attacked and beaten violently. Reason? According to the news account, the three assailants were "toughs who had been drinking beer for hours on a tenement roof, then had descended to the street to find some action."

Two of the perpetrators of this vicious attack, each 18 years old, were out on bail pending trial for felonious assault and malicious mischief in another case. The third, 16, allegedly greeted his mother with an unprintable epithet when his parents arrived at the police station.

Philadelphia—A young foreign student was returning from mailing a letter near the campus of his university last spring when he was accosted by an 11-member juvenile gang. Two youths shackled the student's arms, others knocked off his glasses and began beating him. A blackjack, lead pipe, and hard-toed shoe were used. The young man's face was chopped to unrecognizable pulp, and his clothing was searched for the money he did not have. Within minutes after police arrived on the scene, the victim of this brutal attack was dead. And what had his 11 attackers—all teen-agers—been seeking? The admission price of 35 cents to attend a neighborhood dance!

Blind, senseless brutality! No sconscience! No sense of right and wrong! Violence for the sake of violence! This is the frightening face of juvenile crime in its most terrible form.

Yes, our juvenile-delinquency problem is real, and it is growing. It may even be more serious here than in other areas of the world. Following a trip to the United States to study juvenile criminals, an Austrian educator reported in a lecture that he had found a fundamental difference between juvenile delinquency in Europe and in the United States. He indicated that the American way of life requires more self-control and discipline than the European one and that when the juvenile aggressor casts off his inhibitions, his acts are more ruthless and elemental. In short, the American juvenile delinquent is more deadly than his European counterpart.

TRIGGER-HAPPY AMERICANS

The Austrian educator said: "If someone in Austria is threatened by a juvenile gangster holding a pistol, he might be able to talk him out of it. No chance of that in America. The young rowdy would pull the trigger."

Much of the trigger-pulling in America occurs in the new urban menace—the juvenile gang.

The swift growth of these gangs holds a deadly portent for the future. The drive and purpose of the "bopping" gang are, with rare exception, alien to juvenile groupings of the past. Emotional intensity without moral responsibility renders these packs of young hoodlums increasingly explosive and dangerous. Vicious and arrogant, cruel and cowardly, seeking to rule a specific area of the city by fear and violence, the modern juvenile gang assembles an arsenal of zip guns, switch-blade knives, steel chains and other deadly weapons.

The terror which exists in those areas infested by the juvenile gang reaches its ultimate in outbreaks of savage brutality and murder. Witness, for example, the gang killing of a crippled 15-year-old youth and the vicious assault on his companion in New York last year. They were kicked, beaten and stabbed.

Another aspect of delinquency is the ever-increasing juvenile vandalism. Schools have been wrecked, cemeteries and houses of worship have been desecrated. And vandalism has led to more than property damage.

Last year a 12-year-old boy admitted starting a fire which took three lives. Police files showed that despite his youth, this boy had an impressive record. He previously had been picked up for throwing rocks, shooting an air gun and placing "torpedoes" on streetcar tracks. He admitted starting four other fires in addition to the fatal blaze.

TERRIFYING PICTURE

Senseless brutality, gang killings, vandalism—these, together with the other major crimes I have mentioned, add up to a truly terrifying picture of juvenile delinquency today.

What can we do about juvenile delinquency? In this series, I propose the following two-part counterattack:

First, we must bring under control existing delinquency. To do this, we must launch an immediate program of decisive action by police, the courts and parents.

Second, we must prevent future delinquency. This means a long-range but positive plan to strengthen the moral fiber of America.

We must act now to halt this spreading disease, which if not stopped, will bring the law of the jungle to every American street.

* * *

PART II

SEVEN STEPS TO HALT TEEN-AGE TERROR

"I want to be a good burglar, and I figure I'll have to go to prison to learn the business * * * but you know, I'm a pretty good burglar right now." These words were voiced last January by a ten-year-old. He was, indeed, a "pretty good burglar." This boy had admitted breaking into a bar, a machine shop and a lunchroom. He had had other brushes with the law—including one in 1957 which had prompted his mother to complain that she could not control him.

Unable to control a ten-year-old child! What an absurd statement! Here is but one more example of a modern phenomenon which is sweeping across America—the abdication of parental responsibility that underlies the nightmare growth of juvenile delinquency.

Last Sunday, I outlined the scope of the problem.

In today's article, I wish to present a counterattack, a comprehensive plan to control delinquency, make our streets safe from gang warfare, protect our property and our very lives. It may be summed up in seven points.

We must:

1. Drive home to parents what their responsibilities toward their youngsters are.
2. Improve the effectiveness of juvenile courts and juvenile aid facilities.
3. Stop coddling known young criminals.
4. Take the protective wraps of secrecy and anonymity off juvenile hoodlums.
5. Crack down hard on the corrupters of youth—the dope peddlers, pornographers, etc.
6. Attack delinquency problems at the local level, mobilizing community resources for a unified front against immorality and crime.
7. And this is most important: begin today to reestablish a firm moral structure in America to prevent future delinquency.

The first six points in my program make up a plan to control existing delinquency. Let me elaborate on them—and on the urgent need for them—today. I will discuss the final point in next week's concluding article.

RESPONSIBILITY OF PARENTS

Any program to combat juvenile delinquency can begin in only one place—the home. Abdication of parental responsibility—a malignant form of self-indulgence before duty—has gained a strange hold on all too many American households today. One jurist said recently:

"The (delinquency) problem is not so much an improper youth as it is an improper home."

Unquestionably, the very heart of the delinquency problem rests with the family. When mothers and fathers fulfill responsibilities of parenthood, juvenile crime cannot exist.

Everyone is aware of the problems confronting the children of broken homes. But how about the problems of children in "bent" homes? Let me illustrate:

The pressures of business have estranged thousands of youngsters from their fathers. The distance between office and home has grown increasingly greater, and in many families the young children are in bed before their father gets home from work. Under circumstances such as these, mothers have been forced into a role of greater authority and responsibility. The man of the house tends to be looked upon as merely a weekend handy man—a tired, silent partner.

Many fathers are forced to hold two jobs in order to make ends meet. In some families both father and mother are employed.

The result of the above situations is obvious: the children suffer. Repeated rationalizations—"After all, it's in the interest of the whole family"—are small consolation to the youngster who thirsts for the love and attention of his "too busy" parents.

These are the practical problems of what I call "bent" homes. What about the psychological factors?

A terrible degree of moral decay has infected those parents who flaunt press clippings concerning their numerous marriages and divorces. And how much further into degradation can some mothers and fathers sink after exposing their children to wild parties and thinly veiled promiscuity? Yet, these are common occurrences within the growing ranks of those "sophisticates" who pride themselves on never permitting moral considerations to interfere with their personal desires.

In a normal child, the stamp of character is imprinted early. And it is imprinted deep. Youngsters learn quickly by the example of their parents.

And even more important, boys and girls who have known little or no real family life invariably long for the security of a genuine home. Subconsciously aware that they are being cheated, they do not understand exactly how life has failed them. So these youngsters react blindly and compulsively, striking out at society in general. This is the beginning of juvenile delinquency.

How can we relate parental neglect to delinquency? In some States there are laws under which penalties—including fines and jail sentences—have been levied against the parents of juvenile offenders. This is one way to make disinterested parents face up to their responsibilities to their children.

Where parental neglect is found to be a factor in delinquency, society has every right to demand that the parents of the young offender be called into court and be required to account for their actions. Neglectful mothers and fathers are no less a menace to the community than are their children. Let them be identified and publicly recognized as such.

IMPROVEMENT OF JUVENILE COURTS

Every State has special courts or special court procedures to deal with juvenile crime. Yet many of these facilities are sorely inadequate to handle the load.

One Maryland judge complained last June that in his county the Juvenile Court was expected to function with an inadequate staff, no juvenile detention facilities, no treatment institutions for disturbed children, and no police officers trained in handling juveniles.

In another community it was revealed that youngsters in immediate need of psychiatric care had to wait from six months to a year to get into one of the city's child clinics.

A metropolitan newspaper recently editorialized, "As long as young criminals can, figuratively or otherwise, thumb their noses at police and the courts because they know that usually there's no place to commit them—except in the so-called custody of their parents—just so long will our city be in a sorry and perilous fix. The inadequate facilities for neglected children are likewise a disgrace to the city."

It is a common practice to heap a greater burden upon the existing facilities than they possibly can bear. This has been true of probation and parole systems where supervision of released offenders becomes a sham when the existing staff of officers is required to supervise greater and greater numbers of cases. This also has been true of welfare departments such as the one in which a case worker complained that it was impossible for her to do an adequate job for any of the 90 children assigned to her.

We need improved and enlarged juvenile court and juvenile aid facilities to help stamp out delinquency.

CODDLING OF KNOWN YOUNG CRIMINALS

Frankly, I am alarmed at the extremes to which some authorities have been permitted to go in protecting young offenders. Under a pretext of rehabilitation, tragic blunders have been committed against the American people.

As I said in last week's article, I know that I have been called an advocate of the "get tough" policy. To some extent this is true. I think the time has come when we must be realistic. We must show the hard-core delinquents who have no respect for law and order that we mean business.

Sometimes the coddling of delinquents takes an ironic form. In a number of cases, misguided "humanitarians" have succeeded only in ruining the lives of the juveniles they were so earnestly trying to help.

Let me illustrate with an actual case. Last February a 17-year-old hoodlum was captured after a gun battle with police. He was well known to the authorities in his city, having built up an extensive juvenile record over a five-year period. A probation officer familiar with this youth's case said that the boy idolized his father. Who is his father? A veteran criminal, now serving a 15-year sentence for burglarizing a grocery market.

Several months before his gun battle with the police, this teen-ager and his father had been arrested for grand larceny. The youth was convicted, but the charges against his father were dismissed for lack of evidence. Here was an opportunity to remove this young man from the influence of his father. Instead, he was merely placed on probation—and in effect permitted to continue his apprenticeship in crime.

Coddling of delinquents must be stopped—for the protection of the youths themselves, as well as the general public.

PROTECTION OF DELINQUENTS BY SECRECY

Closely linked to the coddling of young criminals is the widespread practice of sheltering them under a cloak of secrecy. A number of investigative agencies have been dangerously hampered in protecting the public by the secrecy which many courts attach to official proceedings involving juveniles.

For example, last Christmas four teen-agers brutally beat an attendant and escaped from the detention hall in a Southern city. Three of the boys were being held pending their transfer to the State reformatory. They had been picked up for robbery. The fourth boy reportedly was being held as a material witness in a sex case.

Despite the extensive records of these young hoodlums and despite their brutally executed escape, juvenile authorities were said to be "powerless" to identify them to the public. One juvenile court judge was quoted as stating, "If they are not recaptured within 24 hours, we may name the boys and describe their records as a matter of public welfare. But at the moment we are bound to respect the fact they are juveniles and withhold their identity."

A more realistic approach to delinquency certainly is needed when dangerous teen-agers such as these are permitted to hide under an umbrella of secrecy. Youths who commit vicious crimes, as well as those who are guilty of repeated offenses, are not mere delinquents. And they should not be accorded all the special considerations which delinquents have come to expect.

We must stop shielding young hoodlums from publicity. We should use publicity positively to fight delinquency. It can be a powerful weapon. Let's bring all the names and facts about teen-ager crime out into the open.

CORRUPTION OF YOUTH

Our country is plagued today by an ugly brand of parasite who commercializes upon the immature judgment and curiosity of young people. In this category I include the filth merchants, dope peddlers and others who make their living by corrupting youth. These furtive characters frequently are found loitering near schools, playgrounds and juvenile hangouts. They also run the mail-order houses which blanket the nation with promotional material such as the following letter:

"Hello!

"My name is Mary . . .

"I'm an art model—pose in the nude you know, and I thought maybe you would like me or my girl friends to pose for you in a very special way . . ."

The post Office Department, which has jurisdiction when obscene material is sent through the mails, has received thousands of complaints from parents in all parts of the country whose children have received these letters. But our youngsters do not have to send away for indecent pictures and literature. There probably is a generous supply on the shelves of a neighboring newsstand.

Dealing in pornography and other forms of filth has become a multimillion-dollar business. In one city, the police recently arrested the operator of a bookstore who had been selling indecent photographs, color slides, pamphlets and books at prices ranging up to $75. Two squad cars were needed to haul away the filth which was found in his apartment.

As a law-enforcement officer, I am required to exercise strict control over my emotions. But frankly there are times when I cannot help feeling my blood boil. This is particularly so in cases where an adult has deliberately set out to corrupt the morals of a child.

The examples, unfortunately, are legion. In one city, the head of the Juvenile Bureau complained that the delinquency problem had been compounded by the fact that homosexuals were plying local teen-agers with liquor and making advances toward them. In another city, two boys, aged 16 and 18, were taught the criminal art of stealing and forging checks by an ex-convict.

And in a third city, a middle-aged mother of five children was found to be the supplier of weapons for a gang of young robbers.

But of all the corrupters of youth, perhaps none is more terrible than the dope peddler. The dope pusher entices children to try narcotics, and in many cases the youngsters become addicted to drugs. It is well known that drug addiction leads directly to crime. The addict craves larger and larger doses, and the price is high. To get expensive narcotics, youths often follow the trail which leads from larceny to burglary and to more serious crimes.

All calculated assaults upon the standards of youth should be met with stern law en-

forcement and punishment. In communities where existing laws are inadequate to thwart the filth merchants, the dope peddlers, and the rest—let's have new laws, laws with teeth in them.

MOBILIZE COMMUNITY RESOURCES

An effective attack against the delinquency problem can be launched in only one place. That is at the community level. Crime and delinquency are essentially local problems.

In the final analysis, immoral conditions persist within a community only because the last person to recognize his responsibility and acknowledge his blame is the individual citizen. He finds fault with the police department, ignores the pleas for assistance of youth-serving agencies, berates the schools and complains, "Why hasn't the Federal Government done something about this?"

How absurd! Despite the pleas for creation of a special Federal agency to spearhead the fight against delinqency and crime, I want to assure you that the Federal Government has no vaccine or cure-all to overcome moral sicknesses which exist in local communities. If the frightening growth of youth offenses is to be stopped, the forces for good within each community must unite.

As a first step, local efforts must be coordinated. Agencies must pool their resources. Petty jealousies and differences must not stand in the way when there is vital work to be done. Church groups, Parent-Teacher Associations, public and private youth-serving agencies, civic organizations and local law-enforcement agencies must all work together—for the benefit of all.

The second step requires a realistic appraisal of local weaknesses which are a detriment to the cause of decency. Inadequate police budgets, lack of playgrounds in crowded residential areas, obsolete juvenile detention facilities, weakness in existing laws, overcrowded schools, and lack of supervised recreational programs are among the many dangerous conditions which prevail in all too many cities across the Nation. These conditions can best be recognized—and corrected—by the local citizens themselves.

The third step is action. Not only must corrective measures be initiated but each one of them must be carried through.

There you have my plan for the basis of a counterattack on existing delinquency.

Now, what about my seventh point: That we must begin today to re-establish a firm moral structure in America to prevent future delinquency.

I feel this step is tremendously important. Any plan to control delinquency must look to the future as well as to the present. Point Seven calls for a reaffirmation of the moral values that can stop delinquency in the future.

We cannot allow this situation to continue. We must make our towns and cities safe, now and forever, from juvenile terror. Once Americans understand this, I am sure they can do it.

* * *

PART III

WHERE DOES DISCIPLINE BEGIN?

Last summer a very interesting newspaper article came to my attention. It concerned an outdoor camp for boys—one established under the sponsorship of a religious organization. This is no ordinary boys' camp. It caters to youths whom many other camps would reject as undesirable.

After school had closed for the summer, a group of about 100 boys departed for this camp from the crowded streets of a large eastern city. Their ages ranged between 14 and 21. No less than 40 of them had court records, and a number of others belonged to juvenile gangs. Heading the group as it boarded buses for a month's stay at the camp was a youth worker who was only a few years removed from childhood himself. Did this young man have any misgivings about the backgrounds and court records of these boys? Not in the least. In the following words he expressed his attitude toward the challenge presented by these boys:

"We have some of the toughest guys in the city. We know what they've done and what they're capable of doing. But we show them what toughness really is—being able to face up to problems and assume a responsible place in the community."

The man who spoke these words, and the camp in which he works, are doing an effective job in combating juvenile delinquency. I would like to contend in this article that his philosophy is our true final answer to this terrifying problem.

We must show youth "what toughness really is." These are profound words. Character, pride, resourcefulness, excellence—these qualities require real toughness. It takes strength and courage to be good, to stand for the principles which we all know are right. If we can help our youths develop this moral toughness, they will become the kind of citizens America needs to survive as a free nation.

I cannot overemphasize the urgency of the delinquency situation. The current wave of youthful crime and vandalism is mounting in both size and intensity.

In community after community across the land, youthful hoodlums are going on the rampage. Juvenile arrests are rising at such a rate that 791,000 arrests of persons under 18 years of age are predicted for 1958—and one million will be recorded each year beginning 1962.

As I said two weeks ago in my first article in this series, juvenile lawlessness must be stopped. The time has come for a counterattack against juvenile delinquency.

Last week I outlined half of a counterattack against juvenile delinquency. I presented a six-point plan to control existing delinquency by:

1. Accenting the responsibilities of parents.
2. Improving our juvenile courts and juvenile-aid facilities.
3. Stopping the coddling of young criminals.
4. Stopping the protection of juvenile hoodlums by secrecy.
5. Cracking down on the corrupters of youth.
6. Attacking delinquency at the local level.

Fighting existing delinquency, however, is only half the problem. At the same time, we must also begin today to re-establish a firm moral structure to prevent future delinquency. We must stop sowing the seeds for more frightening delinquency in the years to come.

Today, I will suggest an approach to this most difficult problem. I will try to indicate a cure for the underlying sickness of our age which I call "decadence disease." If a cure can be found, if we can restore to America the firm moral precepts of our forefathers, we can ward off future delinquency.

How can we head off future delinquency? How can we convert the arrogant toughness of our teenagers into a moral, constructive toughness? The best way is by example—adult example. Yet, as examples thousands of American mothers and fathers are proving themselves dismal failures.

THE "DECADENCE DISEASE"

From the examples of these parents, more and more youngsters are learning dangerously harmful lessons: "Rules are made to be broken." "If you are smart enough, you can get away with anything." "After all, you only live once."

Corrupt slogans! Parents by their own words and deeds are beckoning youngsters to abandon the principles which have made this a great country!

"Decadence disease" is infecting our children. And self-indulgence, the insistence upon pleasure before duty, the constant search for "the easy way"—are its symptoms.

When a child is exposed to dubious morality at home, he invariably becomes confused. When glaring inconsistencies exist between what he is told is right and what he sees going on, neither praise nor criticism from his parents can have any real meaning. Mothers and fathers who bask in self-indulgence are grossly ineffective at disciplining their children or inspiring them toward worthwhile goals.

Confronted with the charge, "You kids are making this a lousy world," one member of a tough juvenile gang replied, "Yeah? That's the way we found it!" And if the adult atmosphere surrounding this young man and other members of "bopping" gangs is taken into consideration, it probably will be impossible to disagree with his flippant remark.

Discipline is the opposite of self-indulgence. Show me a home in which the parents practice self-discipline and I'll show you a home where a mother and father hold the love and respect of their children. A youngster asks only to be taught the boundaries of acceptable behavior. Discipline, fairly and consistently invoked, breeds pride and respect. And children want—desperately—to be disciplined.

THEY NEED GUIDEPOSTS

Superficially, they may rebel. But on a deeper level, where character is formed, a child wants to be told what he can and cannot do. He needs guideposts to help him orient himself to the world. He looks to his parents for these guideposts. If parents are lazy or indifferent or over-indulgent, is it any wonder that a child loses love and respect for them? How can a child continue to look up to a parent who continually compromises and yields to him?

No American, regardless of his age, outgrows the need for discipline and self-discipline. In a democracy, restraint and self-control are essential in all phases of life. This fact should be evident to all normal adults, and it should serve as a guide to them in rearing their children.

Frankly, I become irritated when I hear doting mothers and fathers say, "I love Junior so much that I just can't bring myself to punish him." In reality, these parents do not love their children. It is a strange kind of love indeed which turns a normal infant into a maladjusted child!

And let there be no mistake, an undisciplined child cannot help being maladjusted. Frustration, tension and resentment confront him on all sides.

On the west coast last February, three young boys were caught in the act of letting air out of automobile tires. The father of one of the boys, an 11-year-old, was summoned to police headquarters. Told that the youths had deflated scores of tires, the father unhesitatingly said, "Son, pump them up again." After supervising as the boys inflated 16 tires with hand pumps, he yielded a bit and rented a power air pump for them to use. But he saw to it that the job was completed.

What a refreshing and praiseworthy attitude! Contrast this with the attitude of other parents whom law-enforcement agencies encounter day after day:

"Oh, no! Not my Harry! You officers are always picking on him. Why don't you let him alone?"

A FIRM HAND

Pampering, overprotection, making excuses and cooing soft words when a firm hand across the seat of the trousers would be more appropriate are practices which create contempt for authority and obstruct decency

among youth. These practices are harmful enough when they exist merely in the home. But today we even find them spreading to some of our courts.

In California last year a 17-year-old hoodlum was arrested following an attempted burglary. This young criminal cursed at the arresting officers and boasted that regardless of the kind of report they made, the courts would release him in a couple of days. What made him so certain of this? "I've been arrested and released before!" he sneered in defiance.

Near the Nation's Capitol, a 15-year-old was attacked from behind and viciously beaten by an older boy who was wielding a milk jug. The victim's skull was fractured, his nose broken, and he required a number of stitches. The attack was unprovoked. Yet, when the assailant appeared in court, the judge dismissed the assault charge.

In another case local policemen were assaulted by two 17-year-olds who called them obscene names and shouted at a crowd of people to "help kill" the officers. During the fracas, a gun was taken from one of the teenagers. Both of these youths had police records. Yet, for openly defying the law, each of them was sentenced to serve only 60 days in jail and a term of probation.

Let there be no mistake. I do not advocate handling all violators under the same rules which are applied to hardened criminals. I do feel, however, that the seriousness of violating the law must be impressed upon juvenile delinquents and other young offenders. They must learn that, in spite of the leniencies they may receive in the interest of rehabilitation, and in spite of their youth, society still holds them responsible for their acts. And that repeated violations will not be tolerated—no matter how young the offender may be.

APPROPRIATE PUNISHMENTS

In dealing with juveniles, it is essential that the punishment fit both the offense and the offender.

Earlier this year, six boys in Virginia were convicted of savagely beating and mistreating a mule. They used planks and pummeled the poor animal so cruelly that it was feared it would lose an eye. The judge who heard the case ordered that the boys be given what many may regard as an appropriate punishment, "a good sound old-fashioned whipping" by their parents. In addition, each of the six was released to the custody of his parents on strict injunction of good behavior until he attains the age of 18.

In another case, a 17-year-old boy who had committed extensive acts of vandalism in a high school was placed on probation under the provision that he find a part-time job after school and make restitution at the rate of $20 per month for the damage he had done.

If, as a result of their sentences, the six Virginia youths learn to respect the feelings of animals and the teen-age vandal learns to value the property of others, the courts will have helped them to become better citizens. What more can we ask of our juvenile courts than a record of positive accomplishments such as this?

But we must understand that a child will never reach a juvenile court if his parents believe and practice discipline. No child will hate his parents if firm but fair discipline is consistently applied. On the contrary, the youngster will feel his father and mother care enough about him to want to teach him the differences between right and wrong. Indifference and over-indulgence breed contempt. Discipline breeds love.

THE DEADLY SLOGANS

Our teen-agers must be taught discipline outside the home, too. Many visitors to our shores simply cannot understand, for example, how an American youth could ever strike a teacher or, for that matter, refuse to obey a teacher's command. The homelands of these people have a deep-bred respect for teachers and other public officials.

The teens are difficult years. They are a stage of life when virtually every child begins to feel new pressures. "Conform." "Give in." "Join the crowd." "Don't be a square." These are more than expressions. They are real and awesome forces in the teen-age world.

The stereotype of our modern-day troubled teen-ager is an unruly, outspoken, rock-and-roll addict who cruises the streets in a "souped-up" jalopy, shouting insults out the window. In appearance he aspires to looking "shaggy" and to leaving behind the impression that he has not been near a barber shop in weeks.

The teen-agers who fit into this general pattern are fickle, aimless and confused. Whether drag-racing down a major highway or thumping a pencil in dejected boredom over their schoolwork, these boys and girls feel a basic insecurity. A void exists in their lives, and they are constantly experimenting—shifting from one fad and one "craze" to another—trying often pathetically to fill the gap.

The bravado and self-confident air of these youngsters veil only thinly a basic fear and uncertainty, an emptiness which gnaws deep in their souls. These children long for something which cannot be found without the help of adult society: discipline and direction.

We are plagued by a growing juvenile problem only because adult America has failed its youth. Rather than standing aloof and asking "What is the younger generation coming to?" we adults must establish a closer relationship with our youngsters. They need standards, goals, wholesome examples. They need vision and imagination such as burned so intensely in the hearts of our forefathers. They need adults who will help give direction to their lives.

In my book, "Masters of Deceit," I wrote: ". . . youth gravitates toward companionship with competent, generous, and experienced adults. . . If the adults can show, in action, that it is possible to combine high idealism with solid practicality and patience, the results will enhance character and citizenship development manyfold."

OUR ADULT DELINQUENCY

Herein lies the solution to the problem. We adults must set the example for young America. Let us invade the juvenile world with ideals. Let us bring meaning and purpose into the lives of our children. Let us leave no room in their minds for ugly thoughts or vicious deeds. And they will have no need to turn to either criminality or to communism to fill a void.

If we adults succeed, if we can change destructive toughness to firm moral toughness, we will have succeeded in preventing delinquency in the future. And we will have bequeathed to our children—and to our Nation—the greatest gift of all. We will have given them the toughness, moral fiber, strength and courage to keep our Nation strong and free.

Mr. KEATING. There is a great deal of thoughtful comment in these articles, and in my view they should be must reading for every citizen who is concerned about or with young people today. These articles strike me as the most effective presentation of the need for a "hard" as opposed to a "soft" attitude in dealing with hard-core juvenile criminals.

I hope every member of the Senate will take the time to read—or re-read—Mr. Hoover's articles. They have a particular importance to us because we can do our part in helping the battle against juvenile crime by enacting sound legislation to curb the dissemination of pornography in this country, and by providing proper and sound assistance of the Federal Government to state and local efforts to wipe out juvenile delinquency.

Mr. President, from time to time in my remarks I have mentioned the so-called "soft approach" to the problem of juvenile offenders. I am particularly concerned about this attitude because of a reprint of a paper which I have on the desk beside me. It is a paper presented by William C. Kvaraceus, a professor of education at Boston University, who is now working on a three-year project on prediction of juvenile delinquency for the U.S. Office of Education. Dr. Kvaraceus has also been active in various National Education Association projects on this subject.

This particular paper was presented on July 29 of this year as part of the Martin G. Brumbaugh lecture series at the University of Pennsylvania. It is a scholarly and careful exposition of the author's views with regard to the subject of "The Delinquent in School and Court."

What troubles me is the overall "soft" attitude this paper presents. And particularly in the light of the fact that the author is presently on the payroll of the Federal Government. I especially resent his somewhat snide references to the views of J. Edgar Hoover and other dedicated men who happen to adhere, as I do, to the "hard" school in dealing with teenage problems.

I do not condemn Dr. Kvaraceus' keen interest in the potential of common schools and juvenile courts to mete out special justice for youthful offenders. I think we should explore thoroughly all possibilities for progress through those institutions. What I do disagree with is the general softness which appears to pervade his philosophy—a softness which can have no place when we are dealing with hardened criminals, no matter what their age.

I agree, of course, with his admonition that "Courts and schools must continue to regard the young violator as a special individual needing help and understanding." All of us, including J. Edgar Hoover, who represents so eloquently the so-called "get tough" school, would go along with that philosophy.

But Dr. Kvaraceus does not stop there. He goes on to berate "a number of prominent jurists and other officials"—and here, he means men of the stature of J. Edgar Hoover and Judge Samuel S. Liebowitz—who are "calling loudly for stronger and harsher methods for dealing with young law violators." Mr. President, I suppose he is right. Mr. Hoover and others are working to make sure that hardcore juvenile offenders who repeat their crimes again and again are shown that our police and our courts mean business. I agree 100 percent with that view, as Mr. Hoover has so ably outlined it in his This Week magazine articles I referred to earlier in my remarks. I hope that view will prevail when New York City officials are dealing with the perpetrators of the recent teenage outrages in Manhattan.

Dr. Kvaraceus goes on to attack those in the hard school who would open up juvenile court proceedings and records to the press. Again I am in disagreement with him.

I believe sincerely in the public's right to know about crime and criminals, be they young or old. Of course, some discretion must be used in protecting youthful minor offenders. But when we are dealing with repeated offenders who have over and over again thumbed their noses at law enforcement, then their deeds and their record should be a matter for public attention and public scrutiny.

As Mr. Hoover has pointed out, the lack of publicity about the criminal records of some teenage hoodlums has resulted in horrible deeds when the delinquents have moved to a new community where they are allowed to run free. I say that if the youth is a hard-core criminal, who has shown clearly his lawless tendencies and his lack of respect for society, then our newspapers and other media of communication should be given access to his record and should be allowed to convey that record to the public at large.

I do not regard this philosophy as in any way demonstrating an attitude of hostility or of undue harshness. It is simply an attitude which faces up to reality.

If properly handled, publicity for hard-core offenders need not in any way interfere with the excellent work done by many groups, individuals, and organizations to rehabilitate young people gone wrong.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. KEATING. Mr. President, may I have 5 additional minutes?

Mr. JOHNSON of Texas. Mr. President, I yield 5 additional minutes to the Senator from New York.

Mr. KEATING. Mr. President, in this connection, I might point out that none of us who belong to the "hard" school in dealing with teenage criminals believes that punishment is necessarily the basic means for dealing with each and every delinquent. All we are saying—and Mr. Hoover has said this until he is blue in the face—is that when the young person has committed really serious crimes, or has repeatedly broken the law, then he forfeits his right to sympathetic consideration and must be dealt with severely.

Mr. Hoover puts it this way:

> I heartily endorse reasonable consideration for children involved in minor delinquencies and first offenses. I do not, however, believe that the umbrella of special privilege should be held impartially over all juveniles, including those who commit heinous crimes or those guilty of repeated offenses. Leniency is misdirected when it is applied repeatedly to those whose every act expresses disdain for law.

That is sound doctrine, Mr. President, and it is my hope it will find even more adherents in the days ahead as we come to grips with the problems of juvenile delinquency. We should, at the same time, explore with diligence and understanding the motivations of young people gone wrong, delve into the sociological and psychological reasons for their actions, and approach their behavior with sympathy and understanding. From this we will be building foundations for long-range answers to the problems of our troubled young people. Certainly, we must pound home hard the message that in the church and in the home are the ingredients for preventing juvenile delinquency and building useful citizens.

But in the meantime we cannot sit back and let these hardened teenage criminals run loose. We cannot, while we grope for long-range solutions, ignore the peril to society posed by hardcore criminals without conscience or respect for law and order.

It is my hope that a realistic blending of the hard and soft schools of thought on this subject will characterize any actions of Congress in such fields as combating smut in the mails, and providing help for localities and States to fight juvenile delinquency. I would also hope that for the present, the authorities in New York City will crack down hard on the leaders of the current reign of terror, and will show others who would go into crime that it does not pay.

In the end, of course, crime and delinquency are essentially local problems to be solved at the local level. They will be solved by tough-minded realists who recognize the importance of sympathy and understanding while practicing harsh methods on young people when they are called for.

What must be done is to unite the forces for good within each community in the land. Church and synagogue, school and club, court and law enforcement agencies, Government, and private organizations—all must join hands in mounting this great counterattack which is so vital to the future of our country.

I am confident the people of New York City are on the right track in this regard. I am confident that there, as in other cities of our land, their dedicated and realistic efforts will be successful so that in the end we will substitute juvenile decency for juvenile delinquency as the important characterization of our young people.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. ELLENDER. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The first committee amendment has been stated. There is a limitation of 30 minutes to an amendment, 15 minutes on each side.

Mr. ELLENDER. How much time remains on the bill itself?

The PRESIDING OFFICER. The proponents have 18 minutes remaining, and the opponents have 60 minutes on the bill itself.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the time allotted to the Senator from New York [Mr. KEATING], who just spoke, not be deducted from the time on the bill.

Mr. JOHNSON of Texas. How was the 2 hours used?

Mr. ELLENDER. I do not know who yielded the time away.

The PRESIDING OFFICER. The Chair is advised that the proponents used 22 minutes on the bill last night.

Mr. JOHNSON of Texas. Would not that leave 38 minutes?

The PRESIDING OFFICER. The junior Senator from New York has just consumed an additional 20 minutes.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I thought it was understood last night that the discussion of the bill last night was not to be applied to the time under the unanimous-consent agreement, but that the time under the agreement was to start running today. I think, if it is correctly recorded, that agreement will be found in the RECORD.

The PRESIDING OFFICER. The Chair advises the Senator from Oregon that under the unanimous-consent agreement time was not used last night but was used previous to the debate on the veto message today.

Mr. HUMPHREY. Mr. President, as I recall, the only time which has been used on the bill is the time used by the chairman of the committee, the distinguished Senator from Louisiana [Mr. ELLENDER], and the time used by the senior Senator from Minnesota. I recall using 15 minutes myself. I believe a comparable amount of time was used by the chairman.

Mr. ELLENDER. I used about 11 minutes, as I recall.

The PRESIDING OFFICER. That is correct; and the junior Senator from New York has just used 20 minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the time used by the junior Senator from New York be restored to the proponents of the bill.

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

Mr. HUMPHREY. Mr. President, at the desk is a namendment known as a committee amendment, designated "8-25-59—B." In order to simplify matters, I call the attention of the Senate to the fact that there are two typographical errors in the committee amendments as they have been printed and lie on the desk.

On page 2, between lines 7 and 8, the following should be inserted:

> At the end of the bill, add the following:

On page 5, line 10, the paragraph designation "(1)" should be "(11)."

I ask unanimous consent that these modifications be made, since they are of a technical nature.

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

Mr. HOLLAND. Mr. President, will the Senator from Minnesota please repeat his statement about the amendments, by page and line?

Mr. HUMPHREY. On page 2, between lines 7 and 8, it is proposed to insert:

At the end of the bill, add the following:

On page 5, line 10, change the paragraph designation from "(1)" to "(11)."

The PRESIDING OFFICER. Will the Senator from Minnesota please send his modifications to the desk?

Mr. HUMPHREY. Yes. I understand the amendments are agreed to.

The PRESIDING OFFICER. The amendments to the committee are agreed to.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. The Senator from Minnesota modified his amendment.

Mr. HUMPHREY. That is correct.

Mr. President, I ask unanimous consent that the committee amendments to S. 1748 be agreed to en bloc and that the bill as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. I object.

Mr. HUMPHREY. Mr. President, I call up the amendment designated "8-25-59—B."

The PRESIDING OFFICER. The committee amendment is pending.

Mr. HUMPHREY. I first asked that the committee amendments be considered en bloc. There was no objection. I now call up the committee amendment designated "8-25-59—B," not the first amendment. It is all one amendment.

The PRESIDING OFFICER. There are two amendments. If there is objection, they cannot be so considered as one.

Mr. HUMPHREY. That may be true. I have not heard objection.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. I objected to the consideration of the amendments en bloc. I presume the procedure to be followed now is to have each amendment considered separately.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. The senior Senator from Minnesota considers the amendment designated "8-25-59—B" to be the amendment he offers, since he wrote it and presented it.

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

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I attended the committee meeting, and my recollection was that we voted separately on certain amendments which the committee approved. I have no objection whatever to their being reported as committee amendments, but the first of them is included on line 1 of the amendment which the distinguished Senator is now mentioning; that is, to change the time covered from 1 year to 3 years. That amendment was voted on separately, as a separate amendment to be presented. We have the right to ask for a division now, but I should think the distinguished Senator from Minnesota would want to present it as a separate amendment, because it was so presented to the committee, so acted upon by the committee, and so approved by a majority of the committee, although over the disapproval of a minority of the committee.

Mr. HUMPHREY. I respectfully disagree. The senior Senator from Minnesota asked if these amendments might be presented individually, not only as committee amendments. There was agreement to that. That is why they are presented this way. I can count. I can read. I know how to present amendments, after having been in the Senate for all these years. If I had wanted to present them as separate amendments, that would have been done. If someone else wants to do it, that is his privilege. But I am proceeding according to my own desire as to how the amendments ought to be presented.

The PRESIDING OFFICER. Objection has been made to considering the amendments en bloc. The amendments presented by the Senator from Minnesota relate to two different sections of the bill.

Mr. HUMPHREY. I did not ask that the amendments be considered en bloc; I asked that the amendments be considered en bloc so the bill might be considered as original text. That is an entirely different request from asking that the committee amendments be considered en bloc. Let us presume that these are not committee amendments, but are presented by a Senator as one amendment and in one document.

The PRESIDING OFFICER. The amendment as presented affects two different portions of the bill, and if objection is made, the amendments must be separated and considered separately.

Mr. HUMPHREY. I will respect the decision of the Chair. I might add that there was a bit of advice that came even before I had gotten around to asking for the amendments to be considered en bloc. Therefore, I now offer the language as an amendment and yield back, first, the time on the committee amendments en bloc.

The PRESIDING OFFICER. (Mr. CANNON in the chair). At this time a committee amendment is pending.

Mr. HUMPHREY. Mr. President, no committee amendment is pending. The pending amendment is a Humphrey amendment.

The PRESIDING OFFICER. The amendments are printed as committee amendments.

Mr. HUMPHREY. Mr. President, I have had a little difficulty getting that kind of an identification of these amendments.

The PRESIDING OFFICER. How does the Senator from Minnesota wish to submit his amendment?

Mr. HUMPHREY. Mr. President, I submit the following amendment: On page 1, line 7, strike out "1960" and insert "1962."

The PRESIDING OFFICER. The amendment of the Senator of Minnesota will be stated.

The LEGISLATIVE CLERK. On page 1, in line 7, it is proposed to strike out "1960" and to insert "1962."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, all this amendment does is accommodate the bill to the recommendations which have been made by all the persons, with the exception of the Secretary of Agriculture, who have studied Public Law 480. All the experts he has hired and all public and private groups who have studied Public Law 480 recommend that it be extended for more than 1 year.

This amendment provides for a 3-year extension for title I and title II of Public Law 480. It seems to me this amendment will result in good, sound programing. I doubt that any one would predict that the surpluses would be abolished between now and 1962; I have not heard any evidence to that effect. If there is any evidence of that sort, I am sure the country would welcome having it presented and made public.

My proposal was concurred in by the Committee on Agriculture and Forestry, and an extension for 5 years was concurred in by the Foreign Relations Committee.

Therefore, Mr. President, I urge that my amendment be adopted. It provides for a 3-year extension, instead of a 1-year extension.

Mr. ELLENDER. Mr. President, as has been correctly stated by the senior Senator from Minnesota, a bare majority of the Committee on Agriculture and Forestry agreed to this amendment. I opposed it, as did quite a few other members of the committee.

As the Senator from Minnesota has stated, the Department of Agriculture is opposed to a 3-year extension of this program.

From its inception, this program has always been considered a temporary one.

A 3-year extension, as proposed by the Senator from Minnesota—thus making this a 3-year program—would be in line with what the State Department desires. In effect, then, this agricultural program would evolve into a very definite arm of our foreign aid, giveaway program.

If the pending amendment, along with other amendments which I presume will be submitted later tonight by the distinguished senior Senator from Minnesota, is adopted, it would simply mean that this program would become a permanent institution.

Mr. President, the Department of Agriculture takes the position that since this program from its inception has been a temporary one, it should be continued as such. In addition, the Department has said that it has the capacity to spend only $1,500 million over a period of 12 months for the title I loans.

In this connection, many persons think these agricultural surpluses can be sent to any corner of the world without any difficulty. But this is not so. Many problems would plague efforts to ship vast amounts of the surpluses to foreign countries. For instance, storage is in short supply abroad, and accordingly, only a certain number of bushels of wheat and a certain number of bales of cotton can be sent abroad.

As I said before, the Department of Agriculture takes the position that the 1-year extension, with an authorization

of $1.5 billion for title I loans will be sufficient; and that to extend the program for 3 years would simply transform it to part and parcel of our foreign aid giveaway program.

Mr. President, because of the limitation of debate I ask unanimous consent to have included at this point in my remarks a statement which I prepared dealing with the pending amendment of the senior Senator from Minnesota.

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

This provision would extend title I of Public Law 480 for 3 years, in lieu of the 1-year extension provided by S. 1748 as originally reported.

The Department of Agriculture opposes a 3-year extension of title I. They say that a 1-year extension is adequate to continue the programing of surplus agricultural commodities to friendly countries, that no greater rate of disposition would result from a 3-year extension, and that such an extension is not required for efficient operation of the program.

In 1954 we were faced with a surplus of agricultural commodities. Commodity Credit Corporation then had about $6 billion worth of agricultural commodities in inventory or under loan. Many bills were introduced in the Senate and the House dealing with means of disposing of this surplus. At the same time we had a large foreign-aid program. Many people thought that we might use our oversupply of agricultural commodities, instead of dollars, to pay part of our foreign-aid program costs, to pay for strategic and critical materials we needed, and for other useful ends.

Today, 5 years later, we have spent about $6 billion on the title I program, not counting costs of administration. Commodity Credit Corporation stocks in inventory or under loan have risen to about $9 billion. Perhaps we would have over $15 billion worth of commodities in inventory if we had not spent this $6 billion. I do not know.

Title I was begun as a temporary program and has always been so considered. It was hoped that after a few years our surplus stocks would be reduced. That has not occurred and there may be many good reasons why it has not. No better proposal for disposing of our surplus stocks has been developed and title I should be extended. That does not mean, however, that we should give up hope of developing a program that will actually reduce our surplus stocks to a reasonable level. We should not accept title I as a permanent program, nor even accept it as the best that can be devised within the next 3 years. A 1-year extension is adequate to carry on the program efficiently. A 3-year extension would only serve to remove some of the pressure to devise a really effective answer to this very real problem.

Title I is a very popular program even if it has not succeeded in reducing the surplus. It was intended to use surplus commodities, instead of dollars, for foreign aid or other purposes, and some of us hoped that dollars appropriated for those purposes might be used to reimburse Commodity Credit Corporation for the foreign currencies received for the agricultural commodities. The latter has not occurred to any great extent. In most cases the foreign currencies have been used in addition to appropriated dollars. In the negotiation of agreements, the administration tells us that about 50 percent of the foreign currencies are expected to be earmarked for loan or grant to the purchasing country. This is necessary to make the sale, and if the sale were merely to result in the substitution of title I currencies for appropriated aid dollars, the purchasing country would have little incentive to make the purchase.

About 25 percent of the sale proceeds are expected to be earmarked for loans to private firms for use in the purchasing country, and the remaining 25 percent is available for payment of U.S. obligations and a variety of other uses such as schools, libraries, educational exchange and just about every worthy cause that anyone can think of. Title I foreign currencies have been used for increasing beef production in Argentina, loans to agricultural producers in Ecuador, farm-to-market roads in Colombia, irrigation, well-drilling, and agricultural development in Israel, and irrigation and reclamation in Spain. They have been used for electric power, railways, highways, water supplies, processing plants, warehouses, and dams. They have been used for exchange of persons, book translation, schools, libraries, and community centers in foreign lands, binational cultural centers, and innumerable other activities in foreign lands. These may be all very worthy purposes. But they may not be purposes for which we would be willing to appropriate dollars. This is recognized by many of the claimants for these foreign currencies. They would not expect Congress to appropriate dollars for these purposes. But the foreign currencies generated under title I are there waiting to be put to some useful purpose and Congress might just as well add another authorized use for them so that they do not go to waste. There are now so many claimants competing for these funds that the Department of State advises that any further increase in use categories would slow down the working out of agreements and negotiating instructions by the Interagency Staff Committee.

Some may contend that if we have not succeeded in reducing the surplus by means of title I, it is because we have not had a big enough program, and that if every claimant does not get a big enough slice of pie, we ought to increase the size of the pie. There is, of course, a danger in this theory that Congress recognized when it enacted title I. Section 101(a) of the act directs the President to take reasonable precautions to safeguard usual marketings of the United States. This means that foreign currency sales under title I should not displace dollar sales. If they should displace dollar sales, we should be merely converting dollars into foreign currencies to pay for projects for which we might well be unwilling to appropriate dollars. The danger of displacing dollar sales is very considerable, and the larger the program under title I, the greater is that danger.

Title I is the best instrument we have at this time for disposing of our agricultural surplus usefully, but it is not perfect. Let us not accept it as the best we can do, but let us extend it for 1 year and strive for something better.

Mr. ELLENDER. Mr. President, at this time I yield 5 minutes to the distinguished senior Senator from Florida [Mr. HOLLAND].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I strongly support the position of the distinguished chairman of the committee [Mr. ELLENDER].

When the amendment now submitted by the Senator from Minnesota [Mr. HUMPHREY] was offered in the committee, there was considerable discussion of it. It was adopted by a majority of the committee. This took place some weeks after the bill for a simple 1-year extension had been reported to the Senate and placed on the calendar.

As I recall, the vote in the committee was approximately 9 to 6.

Mr. HUMPHREY. I believe it was 10 to 7.

Mr. HOLLAND. Mr. President, the Senator from Minnesota informs me that the vote was 10 to 7. If that is his distinct recollection, I am sure that was the vote.

Mr. President, it was my very strong feeling that in this instance the Secretary of Agriculture was correct, and that it would not be sound legislation to project this program 3 years into the future, on the assumption that we shall have these heavy surpluses for that length of time.

Only yesterday, or perhaps it was this morning, I saw in the newspapers an article based on an announcement from the Secretary of Agriculture that, for the first time in several years, there is no surplus of butter to be disposed of; and butter was taken off the list.

Mr. President, until we become able to prognosticate what the weather will be in the future and what all other factors in regard to agricultural production will be, it seems to me that to project this program 3 years into the future, without having any knowledge of what our situation then will be or what the world situation then will be, would be extremely unwise.

I call attention to the fact that under the existing law, under which we have made extensions from year to year, it has not been required or expected that any agreement made with another nation, under Public Law 480, would be carried out or executed solely in that year. On the contrary, it would simply be a commitment against the total authorization, which, as presently provided in the committee bill, is for $1,500 million, to be used in this year, which already is partly behind us. The $1,500 million would be committed, but with full knowledge of the fact that the commitments can be met over whatever period of time may be required in order to meet them.

In other words, some of the agreements heretofore made have continued for 2 years; and my recollection is that some of them have continued even into the third year.

However, by means of the pending amendment we are asked to declare, in advance, that we shall have huge surpluses for 3 years, that they will hang over our markets for 3 years, and that not only will we authorize the appropriation of $1,500 million to the Department for the disposal of the surpluses in the fiscal year 1960, but that we will provide the same amount of authorization for each of the fiscal years 1961 and 1962—or a total additional authorization in the amount of $4,500 million, to be available during a period of perhaps 5 years, or perhaps even for as long as 6 years.

Mr. President, when we are operating in a field as uncertain as that of agriculture, and when we know that we cannot determine what sort of weather we shall have or what type of production we shall have, and when we know that an effort

such as the one now proposed amounts to a kind of declaration of defeatism—namely, a declaration that we will continue to produce vastly more than we ourselves can use or we ourselves can export to advantage, for 3 years in the future—in my opinion, that is a kind of admission before the fact that we do not propose to deal in any sort of satisfactory way with this surplus disposal problem.

Mr. President, we may have to make that admission from year to year; but I believe that highly improbable, because, in the first place, it seems to me that the farm organizations are alert to the difficulties; and, in the second place, the public is alert to the fact that this program is costing us tremendous amounts of money; and, in the third place, it seems to me that the agricultural producers will, in their own interest, force the bringing about of some reduction of production. If they do not do so, then they do not possess the intelligence which I believe they do possess. If they do not do it, I think that public sentiment will require it. I think the Congress will require it. I am impressed by the declaration of the American Farm Bureau Federation——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 2 more minutes to the Senator from Florida.

Mr. HOLLAND. I am impressed by the declaration of the American Farm Bureau Federation as contained in a letter of September 4, addressed to me, which I hold in my hand, stating that—

> The Farm Bureau is greatly disturbed over the possibilities that Public Law 480 will be so amended as to make it ineffective as an agricultural export and trade development program. In line with the current situation we suggest a simple extension of Public Law 480—

That is a 1-year extension, as originally reported from the committee—

> without any amendment whatsoever would best preserve the original concepts of this program.

Mr. President, unless we want to launch ourselves in advance of the need and make an admission that we do not propose to bring the farm program into any kind of reasonable production, and, second, that we, in advance, announce to the world that we expect to put them on our largesse for 3 additional years of commitments, which means some 5 or 6 additional years of grants, we should defeat this amendment, because, to my mind, it is a declaration of defeatism, indicating that we do not propose to deal with this critical situation, which the Farm Bureau is concerned about, which the Grange is concerned about, and which the National Council of Farm Cooperatives is deeply concerned about.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 1 more minute to the Senator from Florida.

Mr. HOLLAND. I hope the amendment will be defeated.

I am not challenging at all the intent or the motives of the distinguished Senator from Minnesota, but I do think it would be about as fatal a mistake in our protection of agriculture as we could make to commit ourselves in advance to the proposition that we are going to overproduce our commodities for the domestic and world markets and to commit ourselves for 3 additional years of commitments, as well as 5 or 6 years of grants.

If we are to make such a pronouncement as that at this time, I think it is a confession of futility on the part of the Congress, which I do not propose to have any part in making. I hope the amendment will be defeated.

Mr. HUMPHREY. Mr. President, how much time do I have remaining on this amendment?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. HUMPHREY. I yield 5 minutes to the distinguished Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, it is with great reluctance that I rise to oppose the proposal of the distinguished chairman of the committee and the able Senator from Florida.

We are going to have farm surpluses with us for many years to come. In fact, we are moving in the direction of greater surpluses. This year we reremoved production controls from corn, and this year, for the first time, corn production will exceed 4 billion bushels.

Price supports or no price supports, we are going to have great surpluses. I know of no better way to make friends in the world than to give hungry people a part of our agricultural surpluses. Mr. President, you can look around the world today, and you will find that the nations that are most friendly to us are those to whom we have given food, not dollars.

For years we have been looking for a way to get our surpluses to these hungry foreign people. Public Law 480 is the best program we have found to date to accomplish this. The program is working very well.

I found on my trips abroad that in countries like India, for example, they are not interested in a 1-year program. They think it does little good to feed their people 1 year, and have nothing the next year. They want a plan for more than 1 year. One year with Public Law 480 does not permit the kind of program we need to get best results in countries in the world.

I know the program is costing a considerable amount of money. To a considerable extent it is taking the place of foreign aid. Unfortunately, it is being charged to the farmers as a part of the price-support program. Most people feel that the farmers are getting checks representing the cost of that program.

Regardless of the name which may be applied to the program, it is the best program we have had to help people throughout the world and to make friends. It is for that reason that I support an extension of 3 years, rather than 1 year.

Mr. HUMPHREY. Mr. President, I yield 1 minute to the Senator from New Mexico [Mr. ANDERSON], for whatever purpose he wishes to use it for.

AMENDMENT OF MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. ANDERSON. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate bill 2181.

The PRESIDING OFFICER. Laid before the Senate the amendments of the House of Representatives to the bill (S. 2181) to amend the Mineral Leasing Act of February 25, 1920, which were, on page 2, line 2, after "title," insert "including the original lessee of the United States"; on page 2, line 4, strike out "Effective on the date of enactment of this Act, any" and insert "Any"; on page 2, line 6, strike out all after "Act," down through and including "after," in line 8; on page 2, line 13, strike out all after "Act," down through and including "provisions," in line 14; on page 2, line 20, strike out "provisions or not guilty of such fraud," and insert "provisions," and on page 3, after line 3, insert:

> SEC. 2. The right granted by the second sentence of the amendment contained within section 1 of this Act shall apply with respect to any proceeding initiated either prior to or after the date of enactment of this Act.

Mr. ANDERSON. Mr. President, I move that the Senate disagree to the House amendments to S. 2181, request a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. MOSS, and Mr. ALLOTT conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. HUMPHREY. Mr. President, I yield 3 minutes to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, I think we should extend Public Law 480 for 3 years, because I for one do not want to have to go through this again next year. But, more than that, when the program is extended for only 1 year, or when the Department of Agriculture has to negotiate agreements with foreign countries before a deadline, it gets over a barrel and does not get as favorable terms from those countries as it would otherwise.

So if this law is extended for 3 years, the Department has more flexible bargaining authority than it has if the program is cut off at the end of 1 year, because as the deadline draws near the Department is anxious to move the surpluses, and there is a tendency to make a deal on much less advantageous terms for the United States.

So I hope the extension for 3 years will be adopted.

Mr. HUMPHREY. Mr. President, I do not know whether the chairman wishes to speak.

Mr. HOLLAND. Mr. President, I would like to have 1 additional minute.

Mr. ELLENDER. I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. I desire to read from the letter of the Department of Agriculture, signed by Clarence L. Miller, Assistant Secretary, to the chairman of the committee, the Honorable ALLEN J. ELLENDER, dated August 28, which reads as follows:

The Department has recommended an extension of 1 year for title I foreign currency sales and an increase in authorization of $1.5 billion. We do not recommend a 3-year extension and increase of $4.5 billion. We believe a 1-year extension and $1.5 billion authorization is adequate to continue the programing of surplus agricultural commodities to friendly countries. While there is obvious need to maximize the disposal of several major commodities, we believe there is little to be gained in a longer extension of title I and it is not required for efficient operation of the program. No greater rate of disposition would result from a 3-year extension. A 1-year extension would have a terminal date of December 31, 1960. If additional authorization is needed as a result of increased disposals within the concepts of the food-for-peace program we will request an additional authorization prior to the end of this fiscal year.

Mr. President, it seems rather clear that not only the Department of Agriculture and the Farm Bureau Federation, but also logic itself argues against a 3-year extension, when we do not even know we will have a surplus to dispose of during all that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I wish to add one or two extra bits of evidence to support the case for the 3-year extension.

First, the report of the former Assistant Secretary of Agriculture, Mr. John H. Davis, one of the most eminent of our public servants, who was on special assignment for our Government, recommended not an extension of 3 years, but an extension of 5 years.

Secondly, a special report was made by a group of businessmen for the International Cooperation Administration, and that report recommended a continuation beyond 1 year.

Mr. Clarence Francis, of the Inter-Agency Committee for Surplus Disposal, and his committee made a recommendation for an extension beyond 1 year.

Finally, Mr. President, the distinguished minority leader [Mr. DIRKSEN] in debate in the Senate has made comments in this regard, and I wish to quote from page 74 of the transcript of the hearings of July 7, 8, and 10, Senate Committee on Foreign Relations:

May I ask the Senator if this is the administration program?

That is the question asked by the Senator from Montana [Mr. HUMPHREY] relating to the agricultural proposal of the Senator from Illinois [Mr. DIRKSEN], at the time the wheat bill was under consideration.

I continue the quotation:

Mr. DIRKSEN. Yes.

Mr. HUMPHREY. When did the administration change its mind? Because the last notice we had was a 1-year extension. I asked the question only as a matter of interest because I am pleased with the proposed 3-year extension.

Mr. DIRKSEN. I do not know when or if the administration changed its mind. All I know is what I have before me.

Mr. HUMPHREY. The Senator is reading from a paper. The committee had recommendations from the Secretary for a 1-year extension. I wondered if the Secretary had changed his mind. If so, I wanted to stand up and congratulate him and wish him well. We hope to be able to extend the authority for 3 years.

Mr. DIRKSEN. The Secretary has never indicated to me anything other than a 3-year extension.

Mr. HUMPHREY. In his testimony his recommendation was a 1-year extension.

Mr. DIRKSEN. I was not there.

Mr. President, regardless of the testimony, the fact is that the Senator from Vermont has put his finger on the real evidence and the really persuasive argument. This provision will make possible sound planning. It provides for what every agricultural economist in the country has urged, some longer term type of operation, so that the planning can be satisfactory not only for our country, but also for the recipient country.

I add, Mr. President, that only two witnesses favored the 1-year extension. Those were the Department of Agriculture and the American Farm Bureau. There were some 60 witnesses, and a total of 2 were in favor of 1 year.

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

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I will say to the distinguished Senator from Minnesota, he well knows there are a number of amendments he either is presenting or will present with which the Senator from Kansas disagrees, but with regard to this amendment I share with the Senator from Minnesota, as well as with other distinguished members of the Committee on Agriculture and Forestry who have spoken, a desire to extend the provisions of the law.

When I was in South America I found the experienced men handling these programs indicated that a 1-year program was not long enough.

I share with the Senator from Minnesota the feeling that since we have these topheavy surpluses—and certainly that is true in the small grains—if the program could be extended for a period of 3 years, as the senior Senator from Vermont so aptly said a moment ago, we could make better progress. I think it would make for a more stable approach to the program we are fostering and assisting in some of these countries. Therefore, as I indicated when the matter came up, I shall support the 3-year extension.

Mr. ELLENDER. Mr. President, a few moments ago the distinguished Senator from Florida read from a letter from Assistant Agriculture Secretary Miller which was received by the Agriculture Committee some time ago. However, only today I received a letter from Secretary of Agriculture Benson, dated September 3, addressed to me, in which Mr. Benson states:

In order to make the position of the Department of Agriculture crystal clear regarding the extension of Public Law 480, we reaffirm our position as follows:

We support the extension of title I of Public Law 480 for 1 year through December 31, 1960, and an increase in authorization of $1.5 billion. We also support a 1-year extension of title II and an increased authorization for this program of $300 million.

Mr. President, what is happening now in my humble judgment, is that the State Department is trying to enter into this picture. An effort is being made by the State Department to use Public Law 480 as another arm of its foreign policy.

The amendments which are going to be offered by the distinguished Senator from Minnesota, will clearly demonstrate that.

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

Mr. ELLENDER. I shall be glad to yield, on the Senator's time.

Mr. HUMPHREY. That will be fine.

I wish to say to the Senator that he is absolutely correct. I do not disguise that at all.

The purpose involved in the proposal is not merely to dispose of surpluses but also to utilize the God-given abundance of food and fiber we have for the objectives of American foreign policy; to relieve human suffering; to provide for economic development; and to aid in regard to education, health, nutrition, sanitation, and a host of other things which are all very good.

Mr. ELLENDER. The Senator knows that we have already spent almost $50 billion for such foreign aid programs in hard cash. Mr. President, I think we have had enough of that manner of spending the American taxpayers' dollars.

What is being sought is permission for the State Department to sign long-term agreements with foreign countries, promising them payment, in effect, in surplus agricultural commodities. Why, as the Secretary of Agriculture stated, this law has been administered for the past 5 years as 1-year programs. As a matter of fact, although I do not recall exactly what year it was, one year the Department was unable to contract the full amount of the authorization.

The present authorization expires on December 31 of this year. I am informed that the amount which will be contracted for in title I loans will be slightly under the existing $1½ billion limit.

Mr. President, irrespective of what has been said tonight, I know of my own knowledge that much of the agricultural surpluses which could be used abroad in large quantities, cannot be stored, simply because there are not sufficient storage facilities. I am certain that the Department of Agriculture speaks the truth when it says that it cannot dispose of more than $1½ billion worth of commodities, under title I loans in 1 year's time.

As has been stated, if, perchance, contracts can be made for more than the $1½ billion limitation, all that is necessary is that the Department come to Congress and demonstrate it is able to do so.

In my judgment, the mere extension of the program for 3 years, making it a 3-year program, will not be of help in the disposition of surplus agricultural commodities.

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

Mr. ELLENDER. I yield to the Senator from Florida.

Mr. HOLLAND. I have before me the letter to which the Senator referred, which is a letter from Secretary Benson to the Senator as the chairman of the Committee on Agriculture and Forestry, dated yesterday, September 3, 1959. I note, in addition to the matters which the Senator from Louisiana has read into the RECORD, after the recital of other rather minor amendments the Secretary ends with these words, which I think are very meaningful:

> We are opposed to any other changes in Public Law 480.

That means the Secretary is opposed to the 3-year extension, as he is opposed to the $4½ billion authorization. He is opposed to the assumption in advance that this great Nation and this Congress are not going to be able to come to grips with this problem for 3 years and are willing to admit it in advance.

Mr. ELLENDER. Mr. President, it has been my privilege to serve on the Appropriations Committee for many years.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute remains to the Senator from Minnesota.

Mr. HUMPHREY. I was going to divide my time with the Senator. I offer the Senator from Louisiana 30 seconds.

Mr. ELLENDER. Mr. President, I thank the Senator from Minnesota.

What I was going to say was that over the years, the Department of State has started the practice of entering into long-range agreements which we in the Senate are more or less under obligation to carry out. We have all seen many instances when the State Department has offered to perform certain duties or supply certain materials. Although Congress had not provided funds for such programs, yet in time we were under obligation to fulfill those commitments, and we had to do it.

Mr. HUMPHREY. Mr. President, I will take my 30 seconds and merely say this:

We are talking about supplies of agricultural commodities which come into the possession of the Government because of the terms of existing agricultural programs. There is not one scintilla of evidence which indicates that those supplies are going to be diminished. I can point to years of evidence which shows that surpluses grow, not diminish.

One argument offered today is that the supply of butter is less than in previous years. That is true. But there are also fewer dairy farmers and lower dairy income. I do not think that makes very much sense either.

Now that we have used up the time, I suggest we vote.

The PRESIDING OFFICER. The question is on agreeing to the first amendment.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. 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. HUMPHREY. 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 question is on agreeing to the first committee amendment, on page 1, line 7. 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 Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference, at Warsaw, Poland.

The Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The result was announced—yeas 47, nays 38, as follows:

YEAS—47

Aiken	Douglas	Johnson, Tex.
Anderson	Engle	Johnston, S.C.
Bartlett	Fulbright	Keating
Beall	Gore	Kefauver
Byrd, W. Va.	Gruening	Kuchel
Carlson	Hart	Langer
Carroll	Hill	McCarthy
Case, N.J.	Humphrey	McNamara
Clark	Jackson	Magnuson
Cooper	Javits	Mansfield
Monroney	Prouty	Symington
Morse	Proxmire	Williams, N.J.
Morton	Randolph	Yarborough
Mundt	Schoeppel	Young, N. Dak.
Muskie	Scott	Young, Ohio
Neuberger	Sparkman	

NAYS—38

Allott	Ellender	Long, La.
Bennett	Ervin	McClellan
Bible	Fong	Martin
Bridges	Frear	Moss
Butler	Goldwater	Pastore
Byrd, Va.	Green	Robertson
Cannon	Hayden	Russell
Cotton	Hickenlooper	Smith
Curtis	Holland	Stennis
Dirksen	Hruska	Talmadge
Dodd	Jordan	Thurmond
Dworshak	Kerr	Williams, Del.
Eastland	Lausche	

NOT VOTING—15

Bush	Hartke	Murray
Capehart	Hennings	O'Mahoney
Case, S. Dak.	Kennedy	Saltonstall
Chavez	Long, Hawaii	Smathers
Church	McGee	Wiley

So the first committee amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 1, it is proposed to strike out lines 8 through 11 and insert in lieu thereof the language down to and including line 7, page 2, of the amendment offered by the Senator from Minnesota on behalf of the committee.

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

Mr. HUMPHREY. I yield.

Mr. President, I yield myself 5 minutes. I now yield to the Senator from Louisiana.

Mr. ELLENDER. As I understand, the pending amendment is to provide for an annual authorization of $1,500 million, or a total of $4,500 million for the 3 years, for title I loans under the act.

Mr. HUMPHREY. The amendment would provide $1,500 million annually for 3 years, as it is written; yes.

Mr. ELLENDER. As it is written. Since the Senate has voted in favor of a 3-year extension of the act, then it is necessary to provide the funds to carry out the program. I have read the amendment proposed by the Senator from Minnesota. As I pointed out in private conversation with the Senator from Minnesota, the amendment is now so worded that the total of $4.5 billion for title I loans could be spent in 1 year, if the Secretary of Agriculture so desired. Following our conversation, the Senator from Minnesota agreed to modify his amendment so it will provide that the annual authorization for title I loans will be limited to $1,500 million, with a carryover of whatever is left from one year to the next. With that modification, I would be inclined to accept the amendment.

Mr. HUMPHREY. Mr. President, I offer the modifications which have been suggested by the Senator from Louisiana and ask that my amendment be modified accordingly.

The PRESIDING OFFICER. The amendments in the nature of modifications will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 8, after "title," it is proposed to insert "in any calendar year."

On page 2, line 3, strike out "$4,500,000,000" and insert "$1,500,000,000".

On page 2, line 4, strike out "prior periods" and insert "the preceding calendar year".

On page 2, line 6, strike out "prior periods" and insert "preceding year".

On page 2, line 7, strike out "periods" and insert "preceding year".

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

Mr. HUMPHREY. I yield.

Mr. KEATING. There is so much modification, I cannot understand what the Senator is getting at.

Mr. HUMPHREY. Have faith and trust.

Mr. President, I will yield back the remainder of my time, if the chairman will yield back the remainder of his time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up the amendment relating to the administration of the bill, on page 5, starting with line 8. It is in the amendment designated "8-25-59—B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. AIKEN. Mr. President, how much of the committee amendment was accepted by the last vote? I know the Senator from Louisiana accepted No. 3, but what about the rest of them?

Mr. ELLENDER. I accepted only the amendment dealing with the amounts of money to be contracted for each year.

Mr. AIKEN. May I inquire further if the committee amendments are coming up in order, or not?

Mr. HUMPHREY. It was my understanding that we had covered everything in the committee amendment down to the title of "administration." If not, we will revert to section 110 and take that up.

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

Mr. HUMPHREY. I yield.

Mr. ELLENDER. As I stated a moment ago, since the Senate has agreed to extend the act for 3 years instead of 1, it is obvious that a larger authorization will be required. As the amendment submitted by the distinguished Senator from Minnesota was originally drafted, it would have meant that the total amount of $4,500 million could have been spent in 1 year for title I loans. I accepted this amendment, provided that the Senator from Minnesota modify his amendment so that not more than $1,500 million could be spent in any one year, for title I loans, and that any balances might be continued from one year to the next.

Mr. HUMPHREY. Mr. President, it is as the Senator from Louisiana has stated, so the action of the Senate related to the amounts of moneys which were appropriated for title I activities. Therefore, in order to proceed in proper order, I offer an amendment starting on page 2, line 8 of the committee amendment and continuing through the rest of the bill.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the language appearing on and beginning at page 2, line 8, down to and including line 20 on page 5 of the amendment identified as 5-29-59—B, offered by Mr. HUMPHREY on behalf of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. ELLENDER. Mr. President, I advance the same objection which I previously offered—namely, that we should not vote on these amendments en bloc, but they be voted on separately.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Senator from Minnesota will state it.

Mr. HUMPHREY. I offered the amendment as only one amendment; and I believe that is within the rule.

Mr. MUNDT. Mr. President, let me ask what the number of the amendment is.

Mr. HUMPHREY. It is identified as "8-25-59—B."

The PRESIDING OFFICER. The Senator from Minnesota has offered a single amendment; but the elements of the amendment are divisible, to be voted on separately.

Mr. HUMPHREY. Then will the Chair advise me where the division can be stopped?

The PRESIDING OFFICER. The Chair should have added the words "if demanded."

Mr. HUMPHREY. Mr. President, will the Chair please advise me where we might perform the appropriate amount of legislative surgery, in applying the legislative scalpel, so the division would be appropriate and in order?

Mr. HOLLAND. Mr. President, may I be heard on this matter?

Mr. HUMPHREY. Mr. President, who will yield time to the Senator from Florida?

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, I merely suggest that each amendment which applies to a separate section may well be considered a separate amendment. So I call the attention of the Senator from Minnesota to the fact that the language on page 2 from line 8 through line 11 applies to a single section; and that from line 12 through line 16 applies to an additional section; and so forth, through the amendment. It occurs to me that such an arrangement would comply with the request for a division.

The PRESIDING OFFICER. The Chair agrees with the Senator from Florida, and so rules.

Mr. HUMPHREY. I thank the Senator from Florida for his constructive suggestion. He is always helpful in connection with these matters.

Therefore, Mr. President, I offer as an amendment the language which appears in the committee amendment identified as "8-25-59—B," on page 2, beginning in line 8, through line 11, ending with the figures "1959."

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the end of the bill, the following which appears on page 2, beginning in line 8, of the committee amendment identified as "8-25-59—B":

(4) The first section (which provides the short title) is amended to read as follows:

"That this Act may be cited as the 'Food for Peace Act of 1959'."

Mr. HUMPHREY. Mr. President, this amendment is a very simple one; yet it is very meaningful.

The Agricultural Trade Development and Assistance Act, which is the official title of Public Law 480, will thus be amended—without striking out those words—so that it will be known as the "Food for Peace Act of 1959."

It has been recommended a number of times that, instead of referring to the act, Public Law 480, as merely a surplus disposal bill, we identify this excellent program with the objectives of the U.S. Government for peace, justice, and freedom throughout the world.

Why should we shun words such as "food for peace," when that is exactly the wish and the will of the American people.

It is true that we have an abundance of food and fiber. It is true that we have surpluses beyond our domestic needs for food and fiber. But it is also true that those surpluses can be put to very constructive uses, and thereby cause the people in our country who are the producers of food and fiber—namely, our farmers—to realize that what they produce is being dedicated to and devoted to a better world, a world of peace and a world of freedom.

Therefore, Mr. President, this amendment seeks to do what was suggested in the President's message to Congress and what has been suggested in a number of proposals—namely, identify Public Law 480, which deals with the great good which we have—that is to say, our abundance of food and fiber—as the Food for Peace Act.

Mr. President, I suggest that most Americans would readily and heartily approve such a modification of the title of the act.

Mr. ELLENDER. Mr. President, this amendment would change the short title of Public Law 480, 83d Congress, from the "Agricultural Trade Development and Assistance Act of 1954" to "Food for Peace Act of 1959."

If this amendment is agreed to, there will be little actual change in the act

which was originally passed by Congress in 1954. Therefore, to now name the act the "Food for Peace Act of 1959" would really be to use a misnomer.

The original act was designated the Agricultural Trade Development and Assistance Act of 1954, and it was to be used as a means by which to dispose of our surplus agricultural commodities.

The purpose of a short title is to provide a clear, convenient method of referring to the act it identifies. The Agricultural Trade Development and Assistance Act of 1954 has been widely known and cited for 5 years by that title. To change the title at this time would only result in confusion.

The proposed new short title would not only cause confusion, but would actually be misleading. The act was approved in 1954, not in 1959. To change the title from that by which it has long been cited to a title which would indicate that the act was enacted in 1959 could only contribute to the difficulty of understanding this complex piece of legislation.

The proposed new title would further be misleading in that it would suggest that some new concept had been added, which is not the case, and that the purpose of the act is primarily that of aid rather than trade. The purpose of the law was made very clear at the time of its enactment; and I ask unanimous consent that excerpts from the debate at the time of the passage of the act be printed at this point in the RECORD.

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

EXCERPTS FROM DEBATE ON S. 2475, 83D CONGRESS

Mr. HOLLAND. The Senator will notice that this is not an aid bill at all.

Mr. SCHOEPPEL. That is correct.

Mr. HOLLAND. It is a trade bill.

Mr. YOUNG. This is not a giveaway program. We are selling the commodities, not giving them away.

Mr. MUNDT. Yes; because it is not a giveaway program. It is a sales program and an exchange program. It is altogether different from ECA and MSA, and certainly different from what we did yesterday by the passage of Senate bill 2249, making available to the President, agricultural commodities to assist in meeting famine or other urgent relief needs of friendly countries.

Mr. SCHOEPPEL. This bill does not involve a giveaway program. The program under the bill is a dollar-and-cents program, involving exchange with the currencies of other countries. This bill will be a good will measure, and will enable the people of such foreign countries to obtain, probably for the first time under good business practices, U.S. products, such as wheat, corn, and other agricultural commodities which we have in surplus supply. We shall not be giving away those commodities.

Mr. THYE. After all, this bill relates to exchanges. The bill not only authorizes sales for foreign currencies, but it authorizes trade. I think the bill is an excellent one. I believe we are writing good American commonsense into a legislative proposal, so as to make it possible for barter to occur in much the same way that individuals have learned to trade or barter among themselves. That is a good, old American custom, and certainly it is well for us to provide for it in connection with foreign trade and commercial operations.

Mr. HOLLAND. Is it not true that the pending bill is not an aid bill, but is a trade bill designed to recognize realistically the fact that the world is divided into various camps so far as currency is concerned, and that our Nation, to a limited extent—the amount prescribed here representing values of $500 million—should attempt to break across or cut across the lines that divide the dollar countries from the pound sterling countries and other countries that employ still other currencies, in an effort to find a way by which we can trade, notwithstanding the differences in currencies?

Mr. SCHOEPPEL. The Senator from Florida is correct.

I may say it is obviously the intention that it shall be a trade bill not an aid bill.

Mr. BUTLER. I would not think for a minute that President Eisenhower would do anything wrong, but the point is whether this is a trade bill or an aid bill. It has nothing to do with the President of the United States. It is simply a question of policy. If there are those in the executive branch who want to make it an aid bill they can do it; if they want to make it a trade bill they can do it. If it turns out to be an aid bill, we can cut it off.

Mr. ANDERSON. It is very difficult to judge these things in a few months. I believe the bill should be a trade bill.

Mr. BUTLER. I have every confidence in the President of the United States, and I am perfectly willing to let him handle this program, but I think we should advise him we want this to be a trade bill.

Mr. HUMPHREY. Mr. President, as one who has been very much interested in the proposed legislation, I wish to associate myself with the philosophy which has been expressed on the floor of the Senate several times, namely, that this is a trade bill.

Mr. HOPE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a bill upon which the Committee on Agriculture has devoted a considerable amount of time, work and study and I know it is a measure in which many Members of the House are directly interested because we have had referred to our committee some 60 bills dealing with the subject of the disposal of surplus agricultural commodities. Some of these bills dealt with disposal in foreign trade, others dealt with the question of a wider and more effective distribution of these commodities here in our own country.

Mr. Chairman, it might be well to refer briefly to the situation which now exists with reference to surplus agricultural commodities. I do not feel that the fact we possess in this country rather large supplies of some agricultural commodities is anything which should necessarily disturb us. I believe that in every other country in the world today there would be rejoicing if those nations possessed anything like the supply of agricultural commodities which we are so fortunate to have in this country; yet it is true that when agricultural surpluses reach a certain point there is involved the difficulty of management. The time has come when we should make some additional effort to dispose to the best possible advantage of these surplus agricultural commodities. Some of them are perishable in nature; others are susceptible of storage for long periods of time; all of them, of course, are included in the provisions of this bill which sets up the method and manner in which these commodities may be disposed.

Mr. HILL. On May 7, 1954, Senator A. F. SCHOEPPEL, of Kansas, appeared before the House Committee on Agriculture, considering S. 2475, and made the following statement:

"This is a bill to develop export markets for U.S. farm products. I sponsored this bill originally. This was a unanimous recognition 10 months ago of agriculture's vital need to expand export markets for U.S. farm products. It was the soundest alternative to more severe acreage controls.

"I need not describe to you gentlemen that in the last year our agricultural situation has worsened and the need to expand exports has increased. Investments of the Commodity Credit Corporation have about doubled; exports of wheat are further down. The prospects are not good. The time has come to close ranks and take concerted action to expand our export markets for farm products.

"For 10 months S. 2475 has been subject to scrutiny, debate, and comparison with alternatives. There have been feverish attempts to devise alternatives to expand our export markets for farm products. But the principles of S. 2475 are the only program proposals that come to grips with the problem of expanding export markets for farm products. There has been some tidying up of the language and some refinements in procedures and administration, but no alternative program has been developed to expand export markets for farm products on a scale commensurate with the need and the job to be done.

"The reasons for this are clear: The program provided in S. 2475 is tailored to fit the needs of expanding export markets for farm products. Expanding any market is difficult, but expanding an export market for farm products is more difficult and more complex. All of these problems were considered in drafting S. 2475, and the solutions, so far as possible, are included.

"The program embodies an imaginative yet dignified and businesslike approach to our problem. It treats our agricultural abundance as the asset it is, not as an unmanageable surplus of which we are ashamed and, therefore, feel obliged to give it away.

"Let me inject here that the program in S. 2475 is sound, businesslike, and dignified. It is far more humanitarian than gratuities. Nothing builds human dignity like buying what people produce to sell. This program is based on a concept of producing, selling, and buying—a concept that has made our country great. This program preserves the fundamental attribute of human dignity. It then goes far beyond that and uses the otherwise frozen assets of CCC as capital to increase production and gainful employment, to expand trade, and to promote economic development so that people can continue to buy more with their earnings. It is a program based on mutual aid through trade. It is a new, imaginative. and creative program. Wherever it has been explained and thoroughly understood, across this Nation and around the world, it has been hailed as a sensible approach. All who help enact this program will take increasing pride in having contributed to this constructive legislation."

Mr. HARRISON of Nebraska. Mr. Chairman, S. 2475, Agricultural Trade Development and Assistance Act of 1954, may turn out to be the most important legislation ever passed in this House to expand agricultural industry. I, too, have introduced a bill that takes care of the trade part of this particular legislation, and I have been most interested in that particular portion of this legislation that deals with trading with foreign countries and accepting their currencies. I think that it has a great deal of possibility.

* * * * *

S. 2475 measures up to these conditions of expanded markets for U.S. farm products. It authorizes assistance in creating orderly marketing of farm products. It provides means for increasing the capacity of customers to pay for increasing amounts of farm products through loans to increase production of noncompetitive imports into the United States, such as coffee and tin, and for loans to increase production for exports to other countries.

Finally, the bill opens up new opportunities for customer nations to pay for their import needs for farm products. These

new opportunities to pay are included in the bill. They may pay the United States by—

First. Establishing orderly marketing facilities to expand the sale of farm products.

Second. Supplying strategic materials for U.S. stockpiles.

Third. Providing military equipment, materials, and services for common defense.

Fourth. Providing relief or needs to meet security objectives in lieu of appropriated dollars.

Fifth. For those countries not able to pay in one of the above, the program enables them to sell something to a third country that can pay the United States in one of the above.

The United States is spending nearly $50 billion per year for defense. It is depleting its mineral resources at the rate of 2 billion tons per year. Opening up an opportunity for customer nations to earn more by contributions to the cooperative military efforts and replenish some small part of the exhaustible minerals in exchange for farm products is mutually good business.

These are the requisites to expanded markets. S. 2475 accommodates them.

The third point I would like to make is this: S. 2475 provides the means to convert CCC's frozen assets into a revolving fund of working assets which can be used as capital to create a strong community of free nations bound together by mutual interest to preserve freedom. The funds can be used to create, to build, to expand, to stimulate production, trade, and employment.

S. 2475 is a solution in part at least to our agricultural ills. I hope this legislation will receive the unanimous support of the Members of the House.

Mr. ELLENDER. Mr. President, let us examine the proposed short title, word by word.

The first word is "Food." There has been $527,844,000 worth of cotton shipped under Public Law 480. Cotton is not generally considered to be food. Also, $256,000 worth of cotton linters, $150,045,000 worth of tobacco, and $394,000 worth of hay and pasture seeds have been shipped. None of these would normally be regarded as food. Large quantities of feed grains have been shipped; and it might be suspected that they were used for feed, rather than food. Of course, large quantities of food have been shipped, too; but I do not think we ought to mislead people by suggesting that this program concerns only food. I certainly do not think we should ignore cotton. Cotton is a very useful commodity. In most areas of the world, clothing is fully as necessary as food. I do not suggest that the act be labeled the "Cotton for Peace Act"; but I do not believe cotton should receive less than its due, either.

Actually, the common denominator is dollars. "Dollars for Peace" would be a more accurate title. When commodities are shipped out under title I, the Government pays the exporter the value of his sale in dollars, and the importer deposits foreign currencies to the credit of the United States. I do not suggest that the title "Dollars for Peace" be used; but I do not believe we ought to lead the taxpayer to believe that we are just using some surplus food that is lying around, when actually his dollars run the program.

The next important word is "peace." All of us hope that the act has contributed and will contribute to the cause of peace, just as we hope that other acts we pass will contribute to that cause. There are $307.8 million worth of foreign currencies generated under title I which have been provided by agreements under the act for the common defense. Providing for the common defense should help to insure the peace, although probably not to the same extent that the amounts we appropriate for our own national defense might be expected to insure it. It might therefore be more fitting to label each of our appropriation acts for national defense as appropriations for peace acts. That is really what they are. But all our acts have peaceful purposes. If we labeled each one as a peace act, we could not tell one from another. The State Department, which should be greatly concerned with peace, said of S. 1711, from which this provision is taken:

> It would create among some countries exaggerated expectations of economic aid and among other friendly exporting countries would create apprehension about our policies with respect to surplus disposal (hearings on S. 1711, p. 8).

The creation of exaggerated expectations among some of our friends and apprehensions among others does not contribute to peace and I hope the creation of such expectations and apprehensions will be avoided. I devoutly hope and trust that this act and every act we pass may contribute to peace. But I see no reason for so labeling every act.

The next words are "act of 1959." These words would be used to describe an act of 1954 and they are manifestly inaccurate.

The saddest results of changing the label on this act as proposed would be:

First, to mislead our own people into believing that some brave new program has been developed, when actually nothing new of any significance has been added; and

Second, to make the true evaluation of the act and full consideration of its provisions more difficult.

The short title which the act now bears is accurate and honest. Let us keep it that way.

Mr. President, we can all visualize the headlines which may appear if we adopt this short title: "Congress Passes Food for Peace Act." How much nobler that sounds than "Congress Extends Public Law 480." Of course, the latter headline would make it pretty clear what Congress had done, while the former headline allows anyone to conjure up any attractive idea that may appeal to him.

Mr. President, I would like to appeal to our friends in the fourth estate at this time. Their worth and their objective rests in their ability to report facts accurately. They carry out that duty well, and perform a great service in bringing truth to man. I appeal to them not to be gulled by what is proposed here. I appeal to them to pierce the darkness and determine the true facts. I make this special appeal in this case because while our fourth estate is usually so accurate, I have already seen some reports indicating that the Senate may consider a Food for Peace Act. Of course, no such act has been proposed to the Senate. What has been proposed is that we change the label of a 1954 act to "Food for Peace Act of 1959." I am sure that we all know the difference between label and contents, and I trust that no paper will carry the suggestion that we have passed a Food for Peace Act if this title should be adopted. A true headline accurately describing the fact would be "Congress Changes Label of 1954 Act." That would be truthful, and would advise our people of what Congress is doing.

Now, there may be some who would say that the act of 1954 is so proposed to be changed that it requires a different title. Some may say that we have taken Teddy and washed his face and combed his hair and put a new suit on him, and now we should no longer call him Teddy. We should call him George. Then we can introduce him to everyone as George, who used to be Teddy. Now, what are these wonderful changes that are proposed to Public Law 480? It would be extended. More money would be authorized either at the same rate as in the past, or possibly at a higher rate. Some additional uses for foreign currencies might be authorized, although the present authorization is already so broad that it is impossible to tell whether new uses proposed could not already be carried out under the existing law. Operations would be carried on under Public Law 480 in a fashion approximately identical to the manner in which they have been carried on for 5 years.

I believe that the principal changes proposed in the law are the addition of surplusage. The report of the Committee on Foreign Relations, I might point out, does not call it surplusage. It says that it recognizes that the authority bestowed already exists, but that it bestows the authority again because the authority has not been used to a sufficient degree heretofore. Oh, it is proposed to do other things too. It is proposed to take some language out of one subsection and create a whole new subsection of its own to carry this language. It is proposed to add new agencies, new advisory committees, both within Government and without. It is impossible to turn around these days, as each of us knows, without receiving some advice as to how Public Law 480 should be administered. There are other provisions that are proposed to give advice to the President as to how the act should be carried out. One piece of advice tells him to use the authority he already has to enter into long-term contracts to a greater degree so long as the supplies are available to do so. Another tells him to administer the law as it is written.

The change which I believe has been heralded as the most significant change proposed is called national food reserves. I think it could possibly be carried out under existing authority, but I would agree that nevertheless it does present a new concept. At present the act provides for giving practically everybody in any foreign country anything that he may need, whether it is a bridge, a railroad, an education, the translation of a document. As I say, practically anything. So what new concept is still possible? This is the new concept. We shall now give people what

they do not need. The national food reserves in essence will be the giving of grain which it does not need to a country so that it will be available to the country if, at some future time, it should need it. So much we see from the provisions of the legislative proposal itself. But the report of the Committee on Foreign Relations and the letter from the Department of Agriculture proposing this provision take us a step further. In addition to provide the grain, we shall also provide the storage facilities.

Now, let us see what other proposals are possible along this line. Well, S. 1711 contains a proposal which might go a step further. It provides that we shall pay the expenses of technicians advising on the manner in which the grain shall be stored. Well, I do not believe that anyone has come right out and proposed the next logical step, but it is so obvious that maybe it is taken for granted. After we have given them the grain, provided the money to build the storage facilities, provided the money to advise them on how to operate the storage facilities, it is perfectly obvious that we ought to pay them for storing the grain. There is, however, one proposal that I think constitutes an obvious further logical step, and that is that we send them some hungry people to eat the grain. Let us perform the complete service. Of course, maybe it would be cheaper just to have the hungry people eat it here, but I don't see how we could call that food for peace. I don't see how we could call that food for peace any more than we could call our old friend enacted in 1954 the "Food for Peace Act of 1959."

Mr. President, this bill provides not only for the conversion of American dollars into foreign currencies to build warehouses in any quantity, in any country, it also provides for the construction of unknown bridges, highways, water supply systems, dams, and public works of any sort, in any country. S. 1711, from which this title is taken, would provide $6 billion for these unbudgeted projects in foreign lands. The committee amendments to S. 1748 would provide $4.5 billion for these unbudgeted projects. Under either proposal the entire amount could be legally committed in fiscal 1960. On Friday, August 28, at 3:15 p.m., the President returned to the House of Representatives without his approval the public works appropriation bill. The President objected to it because it provided for "67 unbudgeted projects estimated eventually to cost over $800 million." He further said that "the American people are opposed to overspending no matter where it is attempted." The President further pointed out that the bill without these unbudgeted projects provided for 1960 expenditures for the Corps of Engineers and the Bureau of Reclamation amounting to $1.1 billion.

If the President believes that the American people are opposed to overspending no matter where it is attempted and if he further believes that any increase in 1960 expenditures in this country for public works over $1.1 billion is excessive, how should he feel and how should the American people feel about an authorization of $6 billion, or even $4.5 billion, for projects which may not now even be in anyone's mind, in some country which today might not be in existence? If he is opposed to unbudgeted projects, what should be his attitude toward such unknown projects? Of course, the entire $6 billion, or $4.5 billion, proposed, while it could all be committed this year to public works projects, might instead be used for other purposes such as binational cultural foundations, trips all over the world for beauty queens, postgraduate courses for students of the arts and sciences, payment of the expenses of advisers to advisers to advisers. Might not the American people object to such a proposal if it is made clear to them? But if such a proposal is marched up and down under the banner "Food for Peace," if the headlines should—inaccurately—state that Congress has passed a "Food for Peace Act," if the President should sign this measure as a step forward to peace, who would have the temerity to raise his voice in opposition to such a foreign public works appropriation measure? Let us concern ourselves not with changing labels but with improving contents. And, if we cannot at this time improve the contents, let us not pretend that we have done so.

Mr. HUMPHREY. Mr. President, the argument that has been used is really quite amazing to me. I never thought I would hear the day when the Congress was going to vote against the title "Food for Peace." If it makes somebody happy, we can change it to "Food and Fiber for Peace." I am not opposed to it. It would be a very good idea. That would include cotton. Cotton is a commodity, not a theology.

I am perfectly willing to amend my proposed title, which I may do—I will just speak about it for the moment—to make perfectly sure that anybody who thinks he is left out will be included.

The purpose of the title is to give this Government the identification it justly deserves in this food and agricultural program. It is not just a surplus disposal program. It should make us a lot of enemies in foreign countries if we speak of it as simply a surplus disposal program. If it were simply a surplus disposal program, we would not worry about how we dump commodities and how they are used. This is a program for economic development, and ought to be made so.

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

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. Has the Senator suggested an amendment to change the title to "Food and Fiber for Peace Act of 1959"?

Mr. HUMPHREY. I have not as yet. I think I may.

Mr. KEFAUVER. I think it would be a good suggestion. I want to endorse the Senator's proposal, because in many uncommitted nations of the world, they are wondering which side they should aline themselves with, the democratic side represented by the nations of the North Atlantic and others, or the Communist bloc. I think a title of this kind would be useful in showing them the direction in which we are going. I hope the Senator will amend his title. I want to support him very heartily.

Mr. HUMPHREY. I thank the Senator.

The report to which I alluded earlier this afternoon, the Davis report, and the report of the ICA, recommend that this particular program take on more positive aspects in terms of our international relations than just surplus disposal.

The argument over this title is very fundamental and basic, but regardless of the outcome of the vote, I want my colleagues to know that Public Law 480 is not just a trade development act. Public Law 480 as amended has great good in it for the purposes of peaceful construction and peaceful development and peace in the world itself.

There are other amendments which have been approved and recommended by two committees of Congress, the Foreign Relations Committee and the Agriculture and Forestry Committee, which would permit us to use our food and fiber for purposes of peace.

I say to my colleagues who are friends of the farmer that the farmer in America is getting sick and tired of being told that all he produces is surpluses for disposal. Disposals are usually mechanical equipment found in kitchen sinks for garbage. I suggest we talk about food and fiber in a much more decent and a much more responsible manner.

The title "Food for Peace Act of 1959" is a good title. Any Senator who wants to vote against food for peace can answer the rollcall, because I think it will separate it from a title that relates only to food or fiber.

The Senator from Minnesota happens to believe food and fiber are good things. He believes they can be good things in terms of foreign policy and in terms of humanitarianism, and surely ought to be identified, in terms of public understanding, as a constructive force for peace throughout the world.

Why do some of my colleagues feel satisfied to let the Communists monopolize the word "peace"? Are we afraid of it? I suggest the Senator from Louisiana had a good idea when he talked about appropriations for national defense. What is the purpose of national defense? Peace. It might not be a bad idea to have appropriations for peace. I gather they are not appropriations for war or aggression. They are appropriations for peace. The world hungers for peace, and it is about time the Congress of the United States quit rattling the saber or trying to dump its surpluses, and start to think in terms of peace, peaceful construction, peaceful uses of the resources of this country. I will stand on the title "Food For Peace Act of 1959," and I am perfectly willing to have the roll called on it.

Mr. ELLENDER. Mr. President, I yield 4 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, we have heard repeatedly, this

year, last year, and the year before, the accusation that the United States is a coldblooded country, not interested in peace, not interested in the welfare of the other people of the world. That word has emanated even from within our own country, and it has, in my opinion, done us more damage abroad than has any other particular philosophy or discussion we have had.

Again we hear raised on the floor of the Senate the old cliche "Food for Peace." All it is is a banner. It has no place in this bill. It has no place in the historic background of Public Law 480. It is a fooler, if I ever saw one, and I hope the amendment is defeated.

From the standpoint of the argument that we ought to do more to prove that America is peace loving, let me say, great heavens, how much more does this country have to do to establish for the record that we want peace, that we want to be benefactors to less fortunate people in this world? How much more do we have to provide than the billions of dollars we have unselfishly spent? How much more do we have to do than to send the numbers of people we have sent all over the world to help less fortunate people get themselves on their feet?

Despite all we have done we hear the cry day after day, "We have to do this to prove we are peace-loving people."

We used to say, in the old days years ago when I was a practicing lawyer, that many such arguments were "hogwash." That is what we used to call them in our area.

Mr. President, I wish to put some facts and figures into the RECORD. Let us examine them carefully. Fact No. 1 is that the volume of surplus foods distributed by this country in 1959 set an alltime record. Nearly 3 billion pounds of surplus foods were donated by the Department of Agriculture in 1959. These foods went to school lunch programs here at home and to needy people both at home and overseas.

Fact No. 2: The number of people benefiting from surplus foods from this country, donated by the American people, by the American Government, set an alltime record. More than 21 million people in this country alone received Federal surplus foods in 1959. This is more than double the number who were benefited in 1952, and illustrates the greater emphasis which is given to moving our surplus inventories into consumption, helping the needy and our schoolchildren to improve their diets.

Fact No. 3: In the past 7 years almost 12½ billion pounds of surplus foods have been moved under the Department of Agriculture's donation operations. This is another alltime record. No previous 7-year period, even in the 1930's, could come close to this record.

This shows what aggressive planning there has been and what an effective system has been provided to constructively dispose of Government-owned surplus foods. More needy families in ths country received surplus foods in 1959 than the number in any year since World War II. In 1959 nearly 5¾ million needy people in family units received surplus foods. Contrast this with the situation in 1952, when less than 100,000 people in families were benefiting.

We have rushed food to areas of natural disaster.

Most of the instances to which I have referred are instances within this country, but we must also consider the billions of dollars we have spent abroad under Public Law 480. Public Law 480 was not designed, in my judgment, and should not be designed, to be a worldwide WPA operation.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. Mr. President, will the Senator yield me 1 more minute?

Mr. ELLENDER. I yield 1 more minute, Mr. President.

Mr. HICKENLOOPER. Mr. President, Public Law 480 was designed partly to help us in the emergency of food surpluses which we find in this country; and, secondly, to devote those surpluses when, as, and if they exist, to the assistance of needy people.

The minute we set up a program which is designed to be a food-for-peace program in the world, with the many provisions which go into it, word will go out to the world that we are establishing a permanent program.

In fact, some of the amendments provide that we will contract long in the future to give food to people all over the world, whether we have a surplus or whether we do not. I say again, it is a dangerous program. It is a program we should not enter into.

We should continue Public Law 480 from time to time. I voted against the 3-year extension. I want to extend the law for a shorter period of time. We should continuc the Public Law 480 program so long as it serves our purposes and in turn can serve the purposes of needy people.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Kansas [Mr. SCHOEPPEL].

Mr. SCHOEPPEL. Mr. President, I wish to associate myself with what has been said by the distinguished chairman of the committee and by the distinguished senior Senator from Iowa.

It was only in 1954 that we passed this act. Now in 1959 it is said, "Let us change the name of the act."

At the time we considered the passage of Public Law 480—and I think I know a little something about that, as do many other Senators on the floor tonight—it was named the Agricultural Trade Development and Assistance Act of 1954. That is exactly what the act has been.

In furtherance of that statement, all I ask any Senator who is interested in having the name changed, for a slogan or a banner, to do is to read page 2 of the report of the committee, the summary of operations of the act, and to refer to tables 1 and 2, to keep the act strictly in character. We have had too many slogans and banners in a good many years.

I think—and I say this most respectfully—the nations which have dealt with us and which have dealt with our departments of Government around the world know what Public Law 480 means. Those nations have seen how the act has operated. If we change the name, as has been requested, as indicated by the Senator from Iowa [Mr. HICKENLOOPER] is proposed to put the act in an entirely different category and give it an entirely different character, a character I would not agree it should have.

I hope the Senate will reject the amendment.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield me 1 minute?

Mr. ELLENDER. I yield 1 minute to the Senator from Kentucky.

Mr. COOPER. Mr. President, I appreciate the motives and the humanity of the Senator from Minnesota in offering the amendment. I agree with the Senator that the act has had its effects upon the relationships of our country with other countries throughout the world, and that it has been an instrument for peace.

However, it is the results of the operations under the act rather than the title of the act which have made it an instrument of peace. I do not believe that naming the act a "Food for Peace Act," or a "Food and Fiber for Peace Act" will either diminish or enlarge the effect of the program upon good and peaceful relations throughout the world, and upon peace.

I should like to vote for the amendment. I hesitate to vote for it because I would prefer to have our acts speak for themselves in the world, rather than simply have titles.

Unless the act really is designed in all respects for one purpose—that is, our foreign relations and their effect upon other nations—I think perhaps we would not be speaking absolutely truthfully in denominating the act a "Food for Peace Act." For that reason, I shall vote against the amendment.

Mr. HUMPHREY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 3 minutes remaining.

Mr. HUMPHREY. How much time is there on the other side?

The PRESIDING OFFICER. The time is exhausted on the opposite side.

Mr. ELLENDER. Mr. President, do I correctly understand the Presiding Officer to say that my time has expired?

The PRESIDING OFFICER. The Chair is advised that the time of the Senator from Louisiana on the amendment has expired.

Mr. HUMPHREY. Mr. President, I appreciate the comments of my colleagues on this matter of the title. I never thought we would have quite such an argument over a title. Two committees of the Congress have approved this title; the Committee on Foreign Relations and the Committee on Agriculture and Forestry.

I recognize that when a title is so meaningful and dramatic and attractive as this, some may feel that they do not want to approve it. But I see no reason why, if one has an automobile which has all the characteristics of a Lincoln Continental, one should not put a label on it.

I can hardly imagine my Republican colleagues not wanting a better title on the law. My colleagues are very good at slogans and very good at titles.

I add again, it happens to be a Democrat who is speaking up for the President's title for this bill.

He talked about food for peace in his state of the Union address. He talked about health for peace. Is it not interesting the same Senate which tonight is arguing about food for peace only a few months ago approved the International Health for Peace Act with an overwhelming majority, and Senator after Senator applauded the fact that we were going to call the health facilities of America health for peace programs. But when it comes to food which we have in abundance, food the taxpayers have paid for, food which lies in our storage bins and some of which spoils because of storage, food on which we pay $1,500,000 every day in storage charges, food that could be used to feed people and is being used to feed people, food that one governmental official after another says is the greatest force we have for peace in the world, why can we not call it food for peace?

It has been suggested that we should not change the name. We are not changing the name. We are giving a short title to it. "Public Law 480" has about as much sex appeal as an old dirty sock. What does "Public Law 480" explain? Many people, when they wish to become really "moxey" in referring to this measure, say "P.L. 480." That is a very descriptive phrase. The whole world knows what "P.L. 480" means. [Laughter.]

There is not a person in the world, no matter what language he speaks, who does not know what the word "peace" means, and we in the Senate tonight will have an opportunity to vote whether we are for Public Law 480 or whether we are for peace.

I know my good friend the Senator from Iowa [Mr. HICKENLOOPER] says we have done great things for the cause of peace. We have. In the Scripture there is a passage about not hiding one's light under a bushel. We are hiding our light of peace under millions of bushels of wheat. We talk about surplus disposal.

Surplus disposal antagonizes commercial interests. Surplus disposal is a rather unkind remark to make to people whose stomachs are bloated with hunger. In effect the term suggests, "Do you mind being a garbage can, a disposal unit?" I would rather say, "Would you care to share in the abundance that God Almighty has made available to mankind?"

I for one am proud to be associated with this title. I am proud to be associated with the President who is attempting to put some drama and inspiration into our foreign policy, and I hope my colleagues on the other side of the aisle will not repudiate the President's wish.

I hope they will not fail to do on the issue of food the very thing they did for health. The sooner the United States of America begins to be proud it is the peacemaker, proud that it is a Nation of justice and proclaims it, and proud that it uses its resources for the cause of peace, the better off we shall be.

The President of the United States on February 9, 1959, in a letter to the Secretary of Agriculture, stated:

> My message to Congress on January 29 recommending several measures improving major farm programs stressed the need for effective use of our agricultural abundance in meeting food needs at home and abroad.

I ask my colleagues, listen:

> In that message I reported steps being taken with other exporting nations to explore all practical means of using food for peace.

"Food for peace," says Mr. Eisenhower.

Every Senator has said repeatedly that foreign policy should be bipartisan. Very well. Let us make it bipartisan. The President of the United States has asked that we start talking about using food and fiber, the resources of this country, for the cause of peace.

Any of my colleagues who have traveled abroad and have gone to the Soviet Union have observed on every public building the word "Mir," meaning peace. One may say they are a bunch of phonies. Certainly they are. But we are not.

Apparently what we are afraid of is the word "peace" where the dollar sign is, peace where the word "disposal" is, peace where the word "surplus" is in a world that is hungry, in a world of sick and the weary, in a world of people who have been literally torn apart by war. They want America to stand for peace; and I know of no better way to do so than to proclaim peace. I proclaim it by this amendment.

Mr. ELLENDER. Mr President, I yield to the distinguished Senator from Florida 4 minutes on the bill.

Mr. HOLLAND. Mr. President, no one can argue with the distinguished Senator from Minnesota on the subject of the motives which animate him. However, I have been trying to look at the question with a little practicality.

What are the principal commodities purchased from my own State? I have jotted them down. They are the only ones which would be usable under this law as surplus commodities or are in the hands of the Commodity Credit Corporation. They are, first, cotton; second, cigarette tobaccos; third, wrapper leaf tobaccos; fourth, naval stores, turpentine and rosin; fifth, tung oil, which is a poison; and, lastly, peanuts.

Mr. President, I believe even the distinguished Senator from Minnesota, with all of his passion for symbols and for slogans, would find it quite difficult to consider cotton, cigarette tobacco, wrapper leaf tobacco, naval stores, turpentine and rosin, or tung oil as food. Of course, it would be a phony term to apply the term "food" to those surplus commodities.

Mr. President, if the Senator from Minnesota [Mr. HUMPHREY] wishes to make his gesture, why not say agricultural products for peace, or some other term which at least would not be a phony. Already we are charged all over the world with being phony.

Mr. President, we know that the principal motive behind this act is to get rid of our own surplus commodities. We are trying to do it in such a way as to help others, and we have every right to add to the title of the act, which has had an honorable title since 1954, the word "assistance" because we have been assisting others. But I do not believe it is correct to say this is a food for peace program. Below the St. Marys River the term would bring a loud guffaw from people who know that the commodities grown in Florida which are traded under this act, with one single exception, are not food and one or two of them are positive poisons.

So far as I am concerned I do not think we ought to put ourselves in that kind of situation. I hope that the proposed title, advanced in all good faith and with all good motives, should be repudiated by the Senate because certainly it is inapplicable to this program, which has existed since 1954, as our distinguished chairman has said, primarily to dispose of surpluses, to develop trade which we lost during World War II, and to assist those who need the various commodities—some of them food commodities, many of them not food commodities—which we propose to help them get for a small consideration, or, under title II, for no consideration at all, under the benevolent provisions of this act.

Mr. President, I hope the amendment will be defeated.

Mr. ELLENDER. Mr. President, I yield 3 minutes to my distinguished colleague from Louisiana.

Mr. LONG of Louisiana. Mr. President, I cannot vote for the amendment, because I believe it could bring about more misunderstanding than support for the program. We have surplus disposal programs in this country, and I believe we must apply our thinking to our experience with our own surplus food programs to understand what we can expect from such programs overseas.

Suppose we were to call our surplus disposal program in this country a food for peace program. The poor man who gets these surplus commodities complains that he cannot get the things he really wants. He must take what we have to give away, that which happens to be in surplus supply. That is already the big complaint about it, and he wants the program modified to give him commodities which are more useful. He is told that he must take it or leave it because the commodities must be in surplus.

In these foreign lands, in most instances this food will not be given to the people. The people have to pay for it. The politicians often wind up with the money. That is one of the complaints about that program. The poor people have to pay for it out of their hard-earned money.

It is proposed to put the slogan of peace on the food which the poor people must pay for out of their hard-earned money. It seems to me that this will lead to a great deal of misunderstanding, because even though we call

it food for peace, people cannot get what they want in the first place, and in the second place they must pay for what they get.

It seems to me it is better to leave it as it is. It is a surplus disposal program to foreign governments. That being the case, I believe there would be less misunderstanding about the program if we did not try to leave people with the impression that we are giving them a great many things, motivated by the highest ideals, without any selfish motive of any sort.

Mr. HUMPHREY. Mr. President, to meet the suggestion of the able Senator from Florida [Mr. HOLLAND], I modify the amendment so as to read:

Food and Fiber for Peace Act of 1959.

I say respectfully to my good friend from Florida that we have not tried to dispose of any poisons overseas. Exports of tung oil, rosin, and naval stores have been nil under Public Law 480. That is a theoretical argument, with no practical application.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. HUMPHREY. "Food and fiber" is the terminology used by the Department of Agriculture to explain everything that is produced from trees. It includes tung nuts and rosin, as well as wheat, vegetables, and fruits, cotton and cottonseed. If anything is left out we are very sorry, but I think we have covered most of the areas when we say "Food and Fiber for Peace Act of 1959," and I ask my colleagues to be as considerate of this particular title as they were in the instance of the International Health for Peace Act.

I conclude by saying that this particular amendment is a committee amendment, approved by a majority of two committees, the Comittee on Foreign Relations and the Committee on Agriculture and Forestry. It is blessed, if it needs to be, by the President of the United States. It is recognized as being the objective of Public Law 480; and so far as our domestic consumers are concerned, a little surplus for them might bring them peace of mind, possibly peace of body, and peace of soul.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on page 2, lines 8 to 11, both inclusive, of the amendments reported by the committee, as modified.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Florida [Mr. SMATHERS], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

I further announce that the Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Connecticut [Mr. BUSH] is detained on official business.

The result was announced—yeas 39, nays 48, as follows:

YEAS—39

Aiken	Hill	Moss
Anderson	Humphrey	Mundt
Bartlett	Jackson	Muskie
Capehart	Javits	Neuberger
Carlson	Johnson, Tex.	Proxmire
Carroll	Kefauver	Randolph
Clark	Long, Hawaii	Sparkman
Dodd	McCarthy	Symington
Douglas	McNamara	Wiley
Engle	Magnuson	Williams, N.J.
Gore	Mansfield	Yarborough
Gruening	Monroney	Young, N. Dak.
Hart	Morse	Young, Ohio

NAYS—48

Allott	Ervin	Long, La.
Beall	Fong	McClellan
Bennett	Frear	Martin
Bible	Goldwater	Morton
Bridges	Green	Pastore
Butler	Hayden	Prouty
Byrd, Va.	Hickenlooper	Robertson
Byrd, W. Va.	Holland	Russell
Cannon	Hruska	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Cooper	Jordan	Scott
Cotton	Keating	Smith
Curtis	Kerr	Stennis
Dworshak	Kuchel	Talmadge
Eastland	Langer	Thurmond
Ellender	Lausche	Williams, Del.

NOT VOTING—13

Bush	Fulbright	Murray
Case, S. Dak.	Hartke	O'Mahoney
Chavez	Hennings	Smathers
Church	Kennedy	
Dirksen	McGee	

So the committee amendment, as modified, was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment, as modified, was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Missouri [Mr. SYMINGTON].

EQUITABLE TREATMENT FOR PRODUCERS PARTICIPATING IN SOIL BANK PROGRAM

Mr. SYMINGTON. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 2457.

The PRESIDING OFFICER (Mr. CANNON in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2457) to provide equitable treatment for producers participating in the soil bank program on the basis of incorrect information furnished by the Government, which was, on page 2, line 14, strike out "Secretary." " and insert "Secretary. No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties." "

Mr. SYMINGTON. Mr. President, the Senate passed Senate bill 2457, to provide equitable treatment for producers participating in the soil bank program, on the basis of incorrect information furnished by the Government.

The House has also passed Senate bill 2457, with a minor amendment which is simply the addition of the following language:

No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties.

This amendment is acceptable to the chairman of the committee, as well as to me.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion is agreed to.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. SPARKMAN. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the Senator from Alabama such time as he may require.

The PRESIDING OFFICER. (Mr. CANNON in the chair). The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I rise to pay tribute to the distinguished senior Senator from Louisiana [Mr. ELLENDER], the chairman of the Agriculture Committee, and to his committee colleagues, for what I regard as a signal service to American agriculture and a great segment of American business, by means of the fresh emphasis which the committee, in its report accompanying Senate bill 1748, has given to the stimulation and development of new foreign markets for American agricultural products under Public Law 480, known as the Agricultural Trade Development and Assistance Act of 1954.

I am vitally interested in the development and expansion of markets abroad for every type of product of the farms of America and in the welfare of the business establishments which process these farm products.

I am sure that each of us is encouraged by the contribution that has been made by the operation of Public Law 480 to the development and expansion

of foreign markets for American farm products. What has been accomplished is indicative of what can ultimately be achieved if the agencies administering the program will steadfastly observe the high priority for trade development which the Agriculture Committee has called for in its report on the bill before us today.

So that there may be no misunderstanding about what the committee intends concerning the future operation of the Public Law 480 program, let me record here certain language from the committee report. The report states:

The Agricultural Trade Development and Assistance Act of 1954, as amended, declared trade expansion as the policy of Congress. A stated objective of this policy was to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States.

Section 104(a) was listed as the first currency use to help develop new markets for U.S. agricultural commodities on a mutually benefiting basis.

This was no accident. It was and is the intention of Congress that foreign currencies be used to the maximum extent possible for agricultural market development and that first priority be given this use.

This committee is concerned by reports that funds are inadequate for continuation and expansion of section 104(a) market promotional work abroad. * * * To insure that sufficient funds are available for section 104(a) market promotional activities, this committee recommends:

1. The use of foreign currencies for section 104(a) should be given priority over other nonreimbursable U.S. uses. The committee in approving the enactment of new currency uses, did not contemplate that this would result in a reduction of currencies available for section 104(a).

2. The Secretary of Agriculture should determine the level of funds needed for section 104(a) before foreign currencies are made available for other nonreimbursable U.S. uses authorized in the law.

3. The committee commends the Department for negotiating convertibility to nondollar currencies in title I sales agreements. However, the amount of conversion included in such agreements should be increased to permit greater market promotion looking toward the creation of permanent dollar markets in commercial market areas. Further, the inclusion of convertibility for section 104(a) should be a condition for the approval of future title I sales agreements.

The committee report recites much of our experience under Public Law 480 in developing new outlets for a number of agricultural commodities, including poultry.

Every Senator knows that the poultry industry is today in a singular crisis. The industry itself, through the instrumentality of the International Trade Development Committee representing the entire poultry industry, is redoubling its efforts to develop and expand foreign markets which are so desperately needed.

The poultry industry looks upon the Agricultural Trade Development and Assistance Act as an effective means for helping to realize the foreign market potential of American poultry and poultry products.

The importance of the poultry industry to our national economy cannot be over-emphasized. We are aware that poultry constitutes the third largest producer of farm income in America. It is the principal use of feedstuffs, using 65 to 75 percent of all commercial feedstuffs. Poultry are produced in almost every State in the Union. In my own State of Alabama, poultry constitutes the second largest producer of cash income to farmers.

The poultry industry is not strictly agricultural. It is both agricultural and industrial. In a very real sense, those engaged in it are farmer-businessmen. As such, they are entitled to the full support of the committees of Congress and the agencies of Government which are primarily concerned with the welfare of businessmen. That is why the Senate Small Business Committee, of which I serve as chairman, has made the serious and complex problems of the poultry industry a major concern of the committee. That is why our committee has joined hands with our Agriculture Committee in attempting to alleviate the problems of the farmer-businessmen in the poultry industry.

Senators will recall that the Agricultural Trade Development and Assistance Act of 1954 has two basic primary objectives. The first is to facilitate the disposal of surplus agricultural commodities. The second is to attempt to return some permanent benefit to U.S. agriculture, in the form of new and expanded markets. As the committees of Congress have heretofore consistently pointed out, the development of foreign markets is considered to be among the most important permanent benefits to be realized from Public Law 480. Notwithstanding the provisions of the act and the clear intent of Congress, as expressed in prior committee reports, the Agriculture Committee and the Small Business Committee still do not believe that sufficient emphasis is given to, or sufficient foreign currencies are being made available for, this primary objective of the act. If American agriculture is to achieve the benefits contemplated, it is essential that a greater percentage of the local currencies generated be made available for carrying out market development programs; and every effort should be made to broaden the opportunities for carrying out these activities.

The Agriculture Committee in its report reviewed some of the types of market development and promotion activities which are being carried out under Public Law 480 and some of the results which have been accomplished to date.

The fact that wholly new markets can be developed for U.S. agricultural commodities, through the use of the authority provided under Public Law 480, is perhaps best illustrated by referring to what has been accomplished, in respect to poultry, in a relatively short time in Western Germany. Western Germany is today the world's largest importer of poultry and poultry products. Prior to Public Law 480, no poultry had been imported by Germany from the United States. No taste or demand for our superior type of products had been created; and there were also barriers, in the form of license and exchange controls, which stood in the way of trade.

As a result of programs initiated under Public Law 480, these barriers, although not completely removed, have been modified; and a substantial quantity of U.S. poultry is currently being sold, through private trade, to German importers, for dollars. With the promotion activities being carried out under Public Law 480, U.S. poultry is gaining wide acceptance by German consumers. This represents an entirely new market for U.S. poultry.

Let me again remind the Senate that today poultry is in heavy surplus supply, and the prices are greatly depressed. Every housewife knows this. The price of broilers this year hit the lowest level on record. Egg prices fell to the lowest level in 18 years. Yet the quality of these products has never been higher. Public Law 480 has not been used to the extent it should have, for poultry. Since the beginning of Public Law 480, only very small quantities have been programed or made available for sale under this act, notwithstanding the fact that the act and the reports of the committees make it clear that these items are just as eligible as any other.

We know how hard Members of Congress had to work to get the Department to program fruits. I want to make it clear that I, both individually and as chairman of the Senate Small Business Committee, feel that Congress cannot tolerate any further unfair treatment of poultry. I am well aware that the Members from other poultry-producing areas are also deeply concerned.

The Agriculture Committee has wisely recommended that larger amounts of foreign currencies thus generated be made available over longer periods of time, in order that effective market-development work of this type may be expanded by the various recognized trade groups carrying out these market-development programs in cooperation with the Foreign Agricultural Service.

We have the opportunity, under the Public Law 480 program, to help relieve the present critical situation confronting the poultry industry, and at the same time to introduce these high-quality products into entirely new market areas, which eventually can become new and permanent markets. Congress must exercise the necessary legislative oversight to see that poultry is given equal treatment with other commodities under this extended authority.

Again let me commend the members of the Agriculture Committee and its distinguished chairman on a farsighted and constructive step.

Mr. President, I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. Mr. President, I call up amendments on page 2 of the committee amendment—and I pronounce the words "committee amendment" with some emphasis, because it is rather unusual to find the committee amendments being opposed by the committee. But I call up these committee amendments, which have been approved by two committees—namely, paragraph (5), on page 2; and paragraph (10), on page 4. Both of them concern the national food reserves, and both of them should be considered together.

Therefore, Mr. President, I ask unanimous consent that those two paragraphs may be considered together, because they are relevant and germane to the substance of the national food reserves provisions.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, now that that request has been granted, I call up the amendment, which relates to the national food reserves.

Mr. President, this is the committee amendment. I voted for it, but it is the committee amendment. May I add, this time—if it will make any impression on anyone—that this is the administration's proposal. I suppose it is rather unusual to have a member of the so-called opposition party offer amendments sponsored by the administration. Certainly no Member should have any reluctance in supporting this administration proposal if he supports the administration.

So I shall address my remarks to the Members on this side of the aisle who occasionally support the administration; and in that connection I emphasize the word "occasionally."

This amendment provides that a policy which our Government adopted some years ago in the United Nations, in the form of a resolution, be now implemented. Section 110 of the committee amendment states its purpose as clearly as could be stated in any language. It reads as follows:

SEC. 110. In order to implement the resolution adopted by the United Nations on February 20, 1957 (United Nations Resolution 1025 [XI]), which was sponsored by the United States, calling for international cooperation in the establishment of national food reserves, surplus agricultural commodities may be made available by the President on a grant basis for such reserve purposes pursuant to an agreement with the recipient country requiring that payment shall be made when such commodities are withdrawn from the reserve: *Provided*, That no payment shall be required for any quantities of such commodities which are used by agreement of the President and the government of the recipient country for purposes provided for in section 201 of this Act.

Section 201 is the section of the act to relieve famine.

Mr. President, I submit the amendment on behalf of the Senate Committee on Foreign Relations, the Senate Committee on Agriculture and Forestry, the President of the United States, the Secretary of Agriculture, and, I trust, a substantial majority of the Members of this body.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield several minutes to me?

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, this amendment, which includes items (5) and (10) of the committee amendment, was proposed by the administration. It authorizes the storing of surplus foods—primarily grain—in foreign countries, to be paid for if they are withdrawn and used by those countries for other than famine or emergency relief.

I do not know that there is much more to be said about the amendment.

I believe that perhaps one of the purposes of the amendment is not only to have the food available for the control of hunger and near famine, but also to hold down inflation, in that if the food were stored in and were available in some of these countries, it would have the effect of holding down inflation in these countries, and also would result in decreasing storage costs. The Senator from North Dakota [Mr. YOUNG] just now reminded me that the latter is one purpose.

Mr. President, I hope the amendment will be agreed to.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, as the distinguished Senator from Minnesota has stated, this amendment has the endorsement of the administration. But, I might point out, some of us who are on the committee are opposed to the amendment.

If this amendment were adopted, it would permit the storage abroad of a large quantity of surplus agricultural commodities. In addition, the amendment would provide opportunity for a portion of the proceeds of sales of these surplus agricultural commodities for foreign currencies to be used to construct storage facilities in foreign countries.

Mr. President, it has been my privilege to travel through many foreign countries. It is my judgment that in most of the countries where famine now exists and where there is much need for food, such food-storage facilities are not available. Furthermore, in countries such as Pakistan and India, even if additional facilities would be constructed, the weather conditions are such that our surplus agricultural commodities could not readily be stored there.

In my judgment, it would be much better for us to retain these surplus agricultural commodities here in this country and distribute them as they are contracted for.

Mr. President, if this amendment is adopted, it will mean that the Federal Government will be compelled to pay all costs to ship this food abroad, and if the food is used for any other purpose than that provided under title I, it is entirely possible that our country will have to pay for the storage of that food, as well.

It strikes me that the program as it is now operated has worked well. I can see no reason why we should obligate ourselves to any further extent than we have already in the distribution of surplus agricultural commodities abroad.

Mr. President, I ask that there may be inserted at this point in my remarks a further explanation of the pending amendment.

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

NATIONAL FOOD RESERVES

This provision authorizes grants of surplus agricultural commodities for the purpose of creating national food reserves in other countries. Food withdrawn from the reserves would be paid for by the recipient country if it were withdrawn for purposes other than those provided for by section 201 of the act, namely, emergency famine or extraordinary relief assistance.

The report of the Senate Committee on Foreign Relations states:

"This section states specifically that the reserves to be created will help implement the resoluton of the Unted Nations, adopted at the 11th session of the General Assembly. That resolution calls for the establishment of national food reserves "to be used in accordance with international agreed principles." The United Nations resolution specifies that the purposes of national food reserves should be:

"(a) To meet emergency situations;

"(b) To prevent excessive price increases arsing as a result of a failure in local food supplies;

"(c) To prevent excessive price increases resulting from increased demand due to economic development programs, thus facilitating the economic development of less developed countries.

"Section 110 specifies that the reserves will be kept at agreed levels unless the President specifically approves a reduction below the agreed level. The agreements shall also contain safeguards to assure that the commodities in the reserve are not used for speculative purposes.

"The committee also emphasizes the importance of utilizing the services of and consulting with the United Nations Food and Agricultural Organization with respect to technical problems of storage, management, and operation of national food reserves.

"The committee calls attention to the fact that the building of national food reserves in food deficit countries requires the building of adequate storage facilities, that assistance in building such storage facilities is authorized under several provisions of this bill, and urges the President to use his authority, whenever necessary and advisable, to aid other countries in the building of adequate storage facilities for national food reserves."

The section, therefore, contemplates that food will be given in order to establish these reserves, and storage facilities will be built with U.S. assistance. The food will be given at a time when it is not needed, to be kept in reserve in case it should be needed at some future time. If it spoils in the meantime, that will be small loss to the recipient country. If it is withdrawn for famine or extraordinary relief assistance, the United States would receive no payment for it even though the recipient country does receive payment. Apparently this provision would remove a substantial measure of control over these commodities before the recipient country has any need for them. Then, if there is an opportunity to use them, the United States will be in a weak bargaining position in fixing a price for them.

The price-depressing effect of having large stores of commodities overhanging the market is well known. This provision would provide for stores of commodities in countries all over the world. Prices and other incentives to produce in those countries would tend to be reduced, so that this measure might well have a crippling effect on its beneficiaries and tend to keep them dependent on the United States.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have included

in the RECORD at this point a copy of a letter from the Department of Agriculture describing a similar provision.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 7, 1959.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture, House of Representatives.

DEAR CONGRESSMAN COOLEY: In accordance with your request there is set out below an explanation of the provision for national reserves contained in the Department's proposed new section 110 of title I, Public Law 480. It is our intention through this requested new section to make it possible for underdeveloped countries to carry reserve stocks of commodities, such as wheat, to meet (a) temporary shortages resulting from crop failures or delays in the implementation of import plans, and (b) emergency needs resulting from natural disasters or other causes for which assistance may be made available under section 201 of title II of the act.

It has been a recurring experience in times of crop shortage in such countries that consumption has been substantially cut back over a period of 1 to 3 months while import programs were being negotiated and purchases made and shipments received in the country. Under these circumstances, a 2 or 3 months reserve supply would bridge the gap until regular imports begin to arrive. Also, in the case of disaster such as floods, where the need for food is immediate, even the promptest action in making shipments from the United States will not meet such need in time. The availability of such reserve stocks would do so.

The existing method of effecting exports of surplus commodities under title I through regular trade channels is, we believe, the most practicable means of providing reserve stocks to be available for either of the two purposes described above. Taking into account that this method moves the bulk of the commodities out of private stocks, thus avoiding the expense of acquisition, storage, and handling under the price support program, we believe it is also the most economical.

The title I agreement providing for the establishment of reserve stocks under section 110 would include provisions governing: (1) The quantity of the reserve to be established; (2) the length of time the reserve would be maintained; (3) the methods of protecting the reserve stocks, including the basis of settlement in case of damage requiring salvage operations; (4) the use of such reserve stocks for agreed purposes authorized in section 201 of Public Law 480 without any payment being made by the recipient country; (5) use of such reserve stocks for other than section 201 purposes with payment being made for the commodity by the recipient country; and (6) compliance with other requirements of title I, including safeguards against use of the commodities for speculative purposes.

The purchase authorizations providing for procurement of the commodity under such an agreement would be substantially the same as purchase authorizations providing for procurement for immediate consumption. The exporters sales price would be financed in the same way and would be subject to price analysis and reclaim, if excessive. The foreign currency equivalents of such sales price would be determined in the same manner but the recipient country would not be required to deposit such foreign currency to U.S. account at that time, as is required in the case of procurement for immediate consumption. If the commodity were later used for regular consumption purposes, the deposit would then be made. If the commodity were used to meet emergency needs agreed by the United States, the deposit would not be required and the transaction would then constitute a grant rather than a sale.

In most underdeveloped countries there is not now sufficient storage over and above that required for working stocks to carry adequate reserves against disaster and crop failures. For this reason, emphasis will be placed on measures that will result in recipient countries utilizing available grant and loan funds from title I, Public Law 480 programs and other sources to increase their storage facilities. The furnishing of assistance in expanding storage facilities through loans or grants out of title I, Public Law 480 sales proceeds would be an inherent part of the regular programs for sales of commodities for foreign currencies. It does not mean that the United States would have responsibility for storage of the reserve stocks or for costs of carrying out the storage operations. The commodities would be owned by the recipient country from the time of shipment from the United States and further storage and handling would be the responsibility of that country.

Under the proposed amendatory language, considerable flexibility would be permitted in program operations to adapt to operating problems which might arise. We will be pleased to keep the committee informed regarding actual operating procedures developed and progress made under this authority, if enacted.

Sincerely yours,

CLARENCE L. MILLER,
Assistant Secretary.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, it makes little difference who is requesting or supporting this amendment. I think it must stand or fall on its essential merits.

I call attention to some of the details of the amendment which cause me great concern.

First is the fact that storage abroad means we must build storehouses abroad.

Second, storage abroad means that we must transport and pay for the transportation of our surplus products abroad.

Third, storage abroad means that we must subject those surplus products to climatic conditions and other conditions which exist there.

Fourth, in this amendment it is provided—and this is rather an amazing thing to be suggested by those who think that they are recognizing the sovereignty of some 40 countries with which we deal, and which, it is hoped, will set up reserves among themselves to help themselves—such agreements shall require the government of the recipient country to maintain the reserve at agreed levels unless the President specifically approves a reduction below the agreed level, and shall contain reasonable safeguards to assure that the commodities in the reserve are not used for speculative purposes.

Mr. President, I do not know what countries might be willing to accept our largesse on condition that we determine what reserves or how large reserves should be kept by them, but I think that they might be few in number, and that the result of such legislation as this, far from making friends, would be exactly the opposite.

The existence of surpluses here causes trouble for every man who produces them and for every industry which handles the products. It is proposed now to extend the surplus threat to every country friendly to us, and which may deal with us under this proposal, so that each of them will have as a cloud over its own production a part of the surplus which we have here, creating for the particular country a continuing surplus unless there is disaster and unless there is need for the surplus.

Many years ago a Secretary of Agriculture promulgated a program which he called the ever-normal granary program, which at least applied only to us. This proposal is to make of us a kind of Joseph for all the free nations of the earth, under regulations which we prescribe, requiring the recipient countries to live up to those regulations. We become a Joseph for all the other free nations by preserving in their areas reserves or surpluses of products which are nonperishable.

Mr. President, so far as I am concerned, it seems to me that Mr. Wallace will probably blush with shame when he finds that his rather modest proposals of a few years ago have been far overcalled and far outdone by this proposal, which seeks to preserve a kind of ever-normal granary in all the free nations of the world, by continuing to mine our soil and continung to insist upon the production of huge surpluses.

Shall we ever reach the time when we can cut down the production of surpluses, or are we instead to write into the law provisions to the effect that for 3 years of commitments, and for about 6 years of deliveries, we are now committing ourselves to continue production of surpluses big enough to overhang production in all the friendly nations which may seek to avail themselves of this program?

The program is so astounding that I cannot support it, and I am surprised that any Senator should rise to support it.

I hope the amendment will be defeated.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, it is true that some such proposal as this has come from administration sources or from other sources. It is also true that we have been following this policy in the main over the past year. I go gack to the days of UNRRA and the terrible and disgraceful fiasco that was created by the manipulation of UNRRA abroad following World War II, when the food that we sent so generously from American ports was used for the advancement of communism by the agents of communism who got hold of the food and distributed it.

The danger in this proposal to me is, first, that it is proposed that we build warehouses all over the world. I do not care whether my administration proposes it or someone else proposes it. That makes no difference to me. We propose to build warehouses. What is to happen to such warehouses? Somebody must use them. So we propose to put food into the warehouses, and it must be kept at a certain level.

It is not to be drawn down except in famine, but there are rats and other rodents, and there are two-legged rats which, with certain political manipulations in certain countries, will, in one way or another, draw down those reserves, we can rest assured. When the storehouses are nearly empty, they will say to us, "Look at these storehouses. They are empty. We do not know where the food has gone. Please send us some more grain to keep up the level." In that way we shall be faced with more famines and emergencies all over the world in order to pull down the reserves of grain in those countries than we have ever heard of before in history, outside of wartime.

That is what I am afraid of. If we build storage facilities and begin to put grain in them, are we not under a moral obligation, in the minds of some people, at least, to keep them filled, whether we have the surpluses or not? They will not care whether we have the surpluses or not. They will say, "You built the storehouses. You ought to keep them filled. Go out in the market and buy the stocks and put them into the storehouses."

I am afraid those questions will be raised.

So far as the food reaching the people is concerned, as has been pointed out by other Members, most of it will not be given to the people as the result of the bounty of the American people, so far as they know. It will be sold to the people in these countries, and the politicians and governments in those countries will in many cases use the food to perpetuate themselves, whether they be good, bad, or indifferent, as has occurred countless times in the past. The general effect upon the hearts and minds of the people who need the food will be lost. I fear that such things will happen under this program if it is carried out.

It is a high-minded program. So long as we have the surpluses, so long as we have the things we can give, so long as the bounty of the American people continues to be as large as it has in the past, we shall keep making these commodities available to the people. But let us not tie ourselves to any actual contractual obligation with respect to which we can be accused of having assumed a moral liability to continue the programs indefinitely, and to stimulate certain countries into keeping in effect a perpetual condition of emergency and starvation in order to get free food from the United States.

I think it is a dangerous program to start in the form provided in the amendment, and I hope the amendment will be rejected.

Let us continue to make surplus foods available where they are needed and when we have them, but let us not tie our hands and get into a commitment ad infinitum.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. HICKENLOOPER. I have no time.

Mr. ELLENDER. I yield 1 minute to the Senator.

Mr. LAUSCHE. Is the proposed program a new one?

Mr. HICKENLOOPER. The program has been presented, in one way or another, by many people.

Mr. LAUSCHE. But this is an effort to put it into effect?

Mr. HICKENLOOPER. This is an effort to put this program into effect on a contractual basis.

Mr. LAUSCHE. But is it a new program? I understand that under existing law, if a foreign nation wants to buy products with counterpart currencies it can do so.

Mr. HICKENLOOPER. It is not a new idea; it is a new program.

Mr. LAUSCHE. Under existing law, we can send food to nations suffering from famine. Is that correct?

Mr. HICKENLOOPER. Yes.

Mr. LAUSCHE. This proposal contemplates transferring our food from our own bins in this country to countries having famine conditions. Is that correct?

Mr. HICKENLOOPER. And letting them encourage their own famines.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, it is unusual for me to support an odd combination of a Eisenhower-Benson-Humphrey program. Much has been said about embarking on a new program for building storage facilities in other countries. We are not building storage facilities. It is the foreign countries that are building them with foreign currencies.

We lend this money to them to build factories, industries, roads, all manner of works; but now it is said it is wrong that we are going to permit them to build some storage facilities, for example, in India, which country does not have but little storage facilities now. That is one of the reasons why we cannot give them more food. I see nothing wrong with the program at all.

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

Mr. HUMPHREY. Mr. President, the Senator from North Dakota did not use the time allotted to him. He came right to the point.

I yield to the Senator from Vermont.

Mr. AIKEN. We may have an agreement that we will supply a certain country with 10 million bushels of wheat. This proposal will permit us, provided the country has the storage facilities, to send food to that country before the time it is needed. When it is needed for an emergency, it will be available immediately. If it is used for other purposes, the country will then pay for it. In either event we will save the storage charges which we would otherwise have to pay in this country.

Mr. HUMPHREY. Mr. President, it is always the perogative of any Member of Congress to change his mind, and I ask that Senators who oppose this amendment tonight recall their vote in committee only a few days ago. This amendment was approved in the Committee on Agriculture and Forestry. It was approved, I say most respectfully, with the vote of the senior Senator from Iowa. This amendment was approved in the Senate Committee on Foreign Relations, and I do not recall that there was any objection. The Senator from North Dakota [Mr. YOUNG]——

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. WILLIAMS of Delaware. I do not think the Senator from Minnesota would want the statement to stand that it was unanimously approved in the committee, because it was not.

Mr. HUMPHREY. I did not say that. I said that I did not recall any objection in the Committee on Foreign Relations.

Mr. LAUSCHE. Mr. President, if the Senator will yield, I voted for the measure, reserving to myself the right to cast my vote as I saw fit, after I heard no arguments of the character that were presented here tonight before the Foreign Relations Committee. Not a single question was raised of the type that has been raised by the Senator from Florida [Mr. HOLLAND], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HUMPHREY. Mr. President, I am a generous man, and I am more than willing to have these comments made on my time. My good friend from Ohio is absolutely right when he states that he reserved his right to vote as he saw fit. All the Senator from Minnesota said was that he did not recall any objections being made. Neither of us is violating the respect we have for each other, because the Senator from Ohio is one of my cherished and dear friends, and will always be so. Moreover, when he fights for a cause, he fights well and honorably.

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

Mr. HUMPHREY. I yield.

Mr. PASTORE. Do I correctly understand the situation now is that, without enactment of the amendment, we are sending foodstuffs, under Public Law 480, to foreign countries, and money paid for the foodstuffs does not come to the United States, but constitutes counterpart funds?

Mr. HUMPHREY. No; it constitutes local currencies to the deposit of and in the account of the U.S. Treasury.

Mr. PASTORE. What is the money used for, and by whom?

Mr. HUMPHREY. It is used for many activities by our Government. We sometimes lend it back, at interest, to be repaid in local currencies or dollars. We use it to pay for costs of military construction and for embassy operations.

Mr. PASTORE. But does the money ever come back to the Treasury of the United States?

Mr. HUMPHREY. Oh, yes. Some of it is already being paid, and up to 25 percent is loaned to American industry abroad. So here we convert this money. This is almost like the alchemist of old who tried to convert a base metal into gold. Here we convert foodstuffs and fiber into economic development.

May I say, with respect to this particular amendment, since my time is limited, that in a country like Ceylon, for example, there is at the most a 2-week supply.

This is a valuable country in the contest between the Communist world and the free world. This proposal would give the President the opportunity, if he should see fit—the provision is not mandatory; it is permissive—to make available, in a food deficit area such as Ceylon or India, storage grain, if storage facilities are there, so that the grain can be used either for purposes of sale in the area or for purposes of famine relief.

Under the existing section 201 of Public Law 480, what does that do? It provides one thing; namely, a saving on storage.

If my colleagues wish us to continue to pay out a million and a half dollars a day for storage, let them continue this policy. Wheat can be stored abroad for one-fifth of the cost in this country. Moreover, the wheat, cotton, rice, or other commodity is on location. In addition, the administration is of the opinion that this provision would improve the operations of Public Law 480.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. MORSE. Is it the opinion of the Senator from Minnesota that if some of this surplus food were stored in countries where it is nip and tuck in the fight between freedom and totalitarianism, it might well be helpful to the political leaders in those countries that stand for freedom if they knew that in time of famine they would have this food available?

Mr. HUMPHREY. I do feel that way. I want to add to the Senator's comment, which is most pertinent and relevant, that the Senate voted to put large stocks of arms in Germany in caves underground in storage depots before the German army was constituted. The Senate voted to put large amounts of trucks and vehicles in surplus amounts overseas for our Armed Forces and for others. Yet Admiral Briscoe, the chief of the command of the southern flank of NATO, told the Senator from Minnesota and told a representative of the Foreign Relations Committee staff, one Mr. Patrick Holt, assigned on that mission, when I visited the southern flank of NATO, that if war broke out in Europe, because of the inadequacy of food we could not feed our own troops for 10 days. The military departments of Government have recommended for years that we maintain food reserves overseas. The Department of Defense is on record, time after time, in favor of these depots of foods overseas, not for helping others, but for helping ourselves.

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

Mr. HUMPHREY. I yield.

Mr. PASTORE. I am very much in sympathy with this amendment. The thing which concerns the junior Senator from Rhode Island is the question raised by the Senator from North Dakota [Mr. YOUNG] to the effect that, after all, this money is being used for other industrial developments in these countries, so why not use it to build storehouses instead, to store this food?

Mr. HUMPHREY. Yes.

Mr. PASTORE. Then I asked the question whether this money would come back to the Treasury of the United States, and the Senator said it would.

Mr. HUMPHREY. Yes.

Mr. PASTORE. How do we spend this money for industrial development in foreign countries?

Mr. HUMPHREY. We loan the money to the countries at interest, repayable, under terms of an agreement, either in local currency or in American dollars.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield 2 minutes from the time of the bill to myself, so that I may respond to the question of my good friend and colleague.

We loan the money to the countries, and it is repayable with interest, under the terms of an agreement, country by country, contract by contract.

Mr. PASTORE. Nevertheless, it is a fact that if the money were not used for this purpose it would come back to the U.S. Treasury?

Mr. HUMPHREY. That is correct.

Mr. PASTORE. What we are seeking to do under the law is to authorize use of the money for the building of warehouses in foreign countries.

Mr. HUMPHREY. May I say, most respectfully, to my good friend——

Mr. PASTORE. I am not quarreling about it, but I think the record should be straight.

Mr. HUMPHREY. The record will be straight.

It is very difficult to spend Indian rupees in either Providence, R.I., or Minneapolis, Minn. We spend Indian rupees in India. We sell the wheat, cotton, or other commodity under title I for the local currencies, over and above what we can sell for dollars. When we sell commodities for local currencies the only place the local currencies can be used is where the local currencies are generated.

Mr. PASTORE. Therefore, this money would not come back to the U.S. Treasury. It is money we would have to spend in the foreign countries.

Mr. HUMPHREY. Yes. In the agreement relating to the use of the money, it would be repayable either in the local currency or in dollars.

The PRESIDING OFFICER. The additional 2 minutes the Senator yielded have expired.

Mr. MORSE. Mr. President, will the Senator yield himself 1 more minute?

Mr. HUMPHREY. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Chair wishes to inquire as to whether the Senator in control of the time on the bill wishes to yield time on the bill to the Senator from Minnesota.

Mr. HUMPHREY. I understand the majority leader is willing to yield time on the bill to handle these amendments. Is that correct?

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana [Mr. ELLENDER] has control of the time on the bill. Does the Senator desire additional time?

Mr. HUMPHREY. I wish to respond to questions. Who is controlling the time against the bill? The Senator is against the committee amendments.

This is an anomaly, if I have ever seen one.

The PRESIDING OFFICER. Under the unanimous consent agreement, the minority leader controls the time in opposition to the bill.

Mr. HUMPHREY. In other words, what we have happening is that the time on both sides is controlled by the opponents.

This is a "deal."

Mr. MORSE. Mr. President, will the acting minority leader yield time?

Mr. KUCHEL. Mr. President, first let the record show that the Senator from Minnesota may or may not be correct in his statement. I am one Senator who is trying, in the midst of considerable confusion, to determine how my vote should be cast.

In any event, with the customary generosity which goes with this desk, 1 minute is allotted to the able Senator. [Laughter]

Mr. HUMPHREY. I will say, with the customary gratitude which comes from this side, "Thank you."

Mr. MORSE. Mr. President, will the Senator yield so that I may ask one question?

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon understands that a considerable amount of storage space will be built in some countries with the use of soft currencies, the use of local currencies which could not possibly come back to the Treasury of the United States, but which must be spent in such countries for uses for which soft currencies can be spent. Is that a correct understanding?

Mr. HUMPHREY. The Senator is correct.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to go back to the point raised by the Senator from Rhode Island, in the 30 seconds remaining, if I may do so.

When we sell the commodities under title I, we get money for them. It may be dollars, pounds, or francs, or it may be some other currency, but we get money of some kind. The money is a negotiable instrument within the country where the sale is made. Therefore, under the terms of Public Law 480, we make agreements with those countries to loan back a portion of the total amount of the proceeds, as to which we are repaid interest and principal.

Mr. PASTORE. That is the point I mean to make, precisely. In other words, these warehouses will be paid for out of money which we are obligated to loan to the countries, anyway.

Mr. HUMPHREY. The Senator is correct.

Mr. PASTORE. At any rate, this is not money which will come into the United States Treasury.

Mr. HUMPHREY. It is in the Treasury.

Mr. ELLENDER. No; it is not.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I have no time.

Mr. KUCHEL. Mr. President, the acting minority leader is available for an allocation of additional time.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield to me?

Mr. KUCHEL. I yield 5 minutes to the able senior Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I think there is some misunderstanding in connection with the amendment now pending.

The storage bins or granaries will be built with currencies which belong to the U.S. Government, and currencies which will come back to this country if they are not spent or loaned. Such currencies are spent or loaned only at our discretion. These are not counterpart funds.

The warehouses will be built with money of American taxpayers, whether it is money which we have in American dollars or whether it is money which we have in foreign currencies which we have accepted in exchange for commodities which we have sold at discounts.

This is one of the most fantastic proposals I think we have ever had in this Congress—it commits the American taxpayers to pay for the building of storage houses throughout the world. We will then be storing our surplus commodities in those storage houses. Once the commodity is in the foreign country stored in one of the storage houses, we cannot sell it to any other purchaser except the country in which it is stored, unless it give its consent. We will have to negotiate on a price with that country as the only prospective buyer. The country will know it has the commodity. We can give it to them or we can sell it at what they offer. We will even be required to pay storage on our grain stored in this foreign country in warehouses we build.

If there happens to be a famine in an adjoining country, we cannot take the commodity out of the storage house in x country, without an internal accident, and move it over to the country which has a famine.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Who will determine how much we put in the storage house?

Mr. WILLIAMS of Delaware. The United States Government.

Mr. PASTORE. Is that not enough protection?

Mr. WILLIAMS of Delaware. It has not been in the past. It is our money. We should control it.

Mr. PASTORE. We determine whether we shall put in much or little.

Mr. WILLIAMS of Delaware. That is correct.

Mr. PASTORE. The argument has been developed here that because we put in something there should be apprehension that the program will be abused. If we have the final decision, what difference does it make?

Mr. WILLIAMS of Delaware. We could build one warehouse, or we could build several. I do not think we should build any.

Mr. PASTORE. We can put in as much as we wish.

Mr. WILLIAMS of Delaware. The Senate will determine tonight whether we want to build worldwide granaries and store all of our grain throughout the world.

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

Mr. WILLIAMS of Delaware. I will yield in just a moment.

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

Mr. WILLIAMS of Delaware. I will yield in just a moment.

Mr. President, it has been said that these warehouses would be built with currencies which we could not bring back to the Treasury of the United States. These warehouses will be built with currencies which we can spend for needed strategic commodities which we can use in our national stockpile. This is money we can use for embassies, or military establishments abroad.

I think we had better act on this question with our eyes open. It was admitted in the committee that we would have no control over the commodity once we put it in the storage house.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Is it not a fact that it is proposed to build these warehouses with money which can be used in foreign countries to build mills which produce and sell textile products in competition with American manufactured goods?

Mr. WILLIAMS of Delaware. The moneys can be used for that purpose, or they can be put back in the Treasury of the United States.

Mr. PASTORE. What is the difference between doing that and building a warehouse where the food can be stored?

Mr. WILLIAMS of Delaware. I am not suggesting that we should build textile mills, either.

Mr. PASTORE. In point of fact, we are doing it.

Mr. WILLIAMS of Delaware. The fact that we are doing it does not mean we should build granaries. Merely because we are doing something which is wrong, why should we start a second project which is wrong?

Mr. PASTORE. It is not exactly wrong.

Mr. WILLIAMS of Delaware. We are building textile mills in foreign countries because the Congress voted to do so. We will build warehouses if Congress votes to do so. If the Senator does not like it, he can vote against it rather than talk about it. [Laughter.]

Mr. PASTORE. Mr. President. will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

All time on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, a correction. It is a committee amendment.

Mr. KUCHEL. Mr. President, I yield 2 minutes to the able Senator from North Dakota.

The PRESIDING OFFICER. The Senator yields 2 minutes from the time on the bill?

Mr. KUCHEL. From the time on the bill.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 minutes.

Mr. YOUNG of North Dakota. Mr. President, I should like to take a minute or two to explain the provision. When we sell these commodities to foreign countries, we accept their currency.

The average deal operates in this manner: 30 percent of the funds are set aside for use by the United States. That is for our own use, and there is no doubt about it. The other 70 percent of the funds we loan back to these countries.

These storage facilities would be built by using the 70 percent of the funds which are to be loaned back to these foreign countries for some other purpose, anyway.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. YOUNG of North Dakota. I yield to the Senator from Rhode Island.

Mr. PASTORE. That is exactly the point which impresses the junior Senator from Rhode Island. As I understand the situation, these warehouses will not be built with the hard currencies which will come back to the Treasury of the United States, but will be built by use of the soft currencies which will have to be spent, under our agreements, in those countries anyway.

Mr. YOUNG of North Dakota. They would not be built out of the 30 percent of the currencies which, under the act, would be set aside for U.S. use.

Mr. PASTORE. Is that a correct understanding?

Mr. YOUNG of North Dakota. That is correct.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] on behalf of the Committee on Agriculture and Forestry. 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 Senator from North Carolina [Mr. ERVIN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Interparlimentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Wyoming would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The result was announced—yeas 42, nays, 46, as follows:

YEAS—42

Aiken	Hill	Mundt
Bartlett	Humphrey	Muskie
Carlson	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Johnson, Tex.	Prouty
Clark	Kefauver	Proxmire
Cooper	Langer	Randolph
Dodd	Long, Hawaii	Scott
Douglas	McCarthy	Sparkman
Fulbright	McNamara	Wiley
Gore	Mansfield	Williams, N.J.
Green	Monroney	Yarborough
Gruening	Morse	Young, N. Dak.
Hart	Morton	Young, Ohio

NAYS—46

Allott	Ellender	McClellan
Anderson	Engle	Magnuson
Beall	Fong	Martin
Bennett	Frear	Moss
Bible	Goldwater	Robertson
Bridges	Hayden	Russell
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Smith
Byrd, W. Va.	Johnston, S.C.	Stennis
Cannon	Jordan	Symington
Capehart	Keating	Talmadge
Cotton	Kerr	Thurmond
Curtis	Kuchel	Williams, Del.
Dworshak	Lausche	
Eastland	Long, La.	

NOT VOTING—12

Case, S. Dak.	Ervin	McGee
Chavez	Hartke	Murray
Church	Hennings	O'Mahoney
Dirksen	Kennedy	Smathers

So the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I have been consulting with the Parliamentarian as to whether I might call up an amendment which I sponsored in my own right. Apparently some Senators think the committee amendments which are being offered are my amendments. These are, of course, the amendments of the majority of the committee. My question is whether I may call up at this time an amendment other than those approved by the committee?

The PRESIDING OFFICER. If the amendments are to be treated as committee amendments, they will be acted on first.

Mr. HUMPHREY. If an amendment is treated as a committee amendment, it is an amendment which comes from the committee.

The PRESIDING OFFICER. The statement on the face of the amendment is: "Amendments reported by Mr. HUMPHREY, from the Committee on Agriculture and Forestry." That makes them appear to be committee amendments.

Mr. HUMPHREY. That is correct. Indeed, they are committee amendments. One would never know it, but indeed they are.

The PRESIDING OFFICER. The present occupant of the chair was advised earlier in the evening that the amendments contained in this group were not committee amendments but were amendments of the Senator from Minnesota.

Mr. HUMPHREY. I do not know who advised the Chair of that, but I appreciate the compliment.

I offer an amendment to the committee amendment.

The PRESIDING OFFICER. If an amendment other than the committee amendment is offered at this time, unanimous consent is required to permit the amendment to come in ahead of the committee amendment.

Mr. HUMPHREY. I do not believe we should ask for miracles at this hour of the night. I was trying to accommodate one of our esteemed, beloved colleagues, who wanted to make a statement in reference to the amendment, which I know will be adopted overwhelmingly. But I will proceed.

Mr. President, I call up the amendment relating to section 104, paragraphs 6, 7, 8, and 9, starting on page 2, line 17, and continuing through line 6, page 4 of the amendment designated "8-25-59—B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to insert at the appropriate place in the bill the following:

(6) Section 104(k) (relating to scientific activities) is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:".

(7) Section 104(o) (relating to assistance to educational facilities sponsored by United States citizens) is amended by striking out so much thereof as follows the semicolon.

(8) Section 104 (relating to uses of foreign currencies) is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $2,000,000 may be made available for this purpose during any fiscal year;

"(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"(s) For financing the services of technicians, advisers, and administrators who are nationals of any friendly country, which may be needed to further economic and social development programs in other friendly countries;".

(9) Section 104 is further amended by inserting before the period at the end thereof a colon and the following: "*Provided, however*, That foreign currencies shall be available for the purpose of subsections (p) and (s), in addition to funds otherwise made available for such purposes, only in such amounts as may be specified from time to time in appropriation Acts".

The PRESIDING OFFICER. The Chair will state that amendments to this committee amendment are now in order.

Mr. HUMPHREY. It is my intention to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The Senator will submit his amendment.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. Must an amendment relate to this particular section to be germane or to be in order?

The PRESIDING OFFICER. An amendment must be germane.

Mr. HUMPHREY. I mean must it be in order? I withdraw the statement with respect to germaneness. Must an amendment to section 104 relate to section 104 to be in order?

The PRESIDING OFFICER. So long as it does not relate to another portion of the bill.

Mr. HUMPHREY. Then I call up my amendment designated "9-1-59—B" as an amendment to the committee amendment.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. Is the committee amendment now offered subject to severance?

The PRESIDING OFFICER. It is subject to a division for a question.

Mr. KEATING. I ask that the amendment be divided in order to enable us to vote on that part thereof which extends from line 12 to line 16 on page 2 as a separate item.

The PRESIDING OFFICER. That matter has already been voted on.

Mr. KEATING. Then I ask that so much thereof as begins on line 9 and ends on line 13, page 3, be voted on as a separate item. Is that permissible?

The PRESIDING OFFICER. That is subject to a division.

Mr. KEATING. I ask that that part be voted on as a separate item.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota has not been stated.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my amendment designated "9-1-59—B," title II being entitled "Enrichment and Packaging of Certain Donated Commodities; Enrichment and Sanitary Packaging of Certain Commodities," and title III being entitled "Demonstration Food Stamp Allotment Programs," be printed at this point in the RECORD. It will undoubtedly simplify action on the amend-

ment at this late hour if we proceed with a discussion of the amendment without its being read, unless there is an objection.

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

The amendment is as followed:

On page 1, between lines 2 and 3, it is proposed to insert the following:

"TITLE I—AMENDMENTS TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954"

At the end of the bill add the following new titles:

"TITLE II—ENRICHMENT AND PACKAGING OF CERTAIN DONATED COMMODITIES

"Enrichment and sanitary packaging of certain commodities

"SEC. 201. (a) In order to insure the nutritional value of cornmeal, grits, white rice, and white flour when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds.

"(b) The term 'sanitary container' means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use.

"TITLE III—DEMONSTRATION FOOD STAMP ALLOTMENT PROGRAMS

"Definitions

"SEC. 301. As used in this title—

"(a) The term 'food commodity' means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

"(b) The term 'State' includes the District of Columbia, Puerto Rico, and the Virgin Islands.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'food stamp' means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

"Demonstration programs authorized

"SEC. 302. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

"(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

"Types of demonstration programs

"SEC. 303. (a) The Secretary shall, with respect to the demonstration food stamp allotment program to be administered in any area, determine the type of program it is to be, the requirements of eligibility for participation therein, and the manner in which it is to be administered.

"(b) In formulating and administering any demonstration food stamp allotment program pursuant to the provisions of this title the Secretary is authorized to consult and cooperate with appropriate State and local authorities as well as representatives of any private industry concerned with the operation of such program.

"(c) The Secretary is authorized and directed in carrying out the provisions of this title to utilize such stocks of the Commodity Credit Corporation (determined by the Secretary to be in surplus supply) as he shall deem fit.

"Rules and regulations

"SEC. 304. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to effectuate the provisions of the title.

"Termination of programs—report to Congress

"SEC. 305. (a) The demonstration food stamp allotment programs authorized by this title shall terminate prior to January 1, 1962.

"(b) The Secretary shall, as soon as practicable after the termination of such programs, submit to the Congress a final report on the operation of such programs, including such recommendation as he deems appropriate. The Secretary may also from time to time make such earlier reports to the Congress as he deems appropriate.

"Appropriations

"SEC. 306. There is hereby authorized to be appropriated $20,000,000 for carrying out the demonstration food stamp allotment programs.

"Maintenance of other assistance

"SEC. 307. Receipt by any person of benefits under this title shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this title shall be ineligible for further participation under this title."

Mr. HUMPHREY. Mr. President, do I correctly understand that my amendment to the committee amendment is the question before the Senate?

The PRESIDING OFFICER. That will be the pending question.

Mr. HUMPHREY. I thank the Chair. The request of the Senator from New York will be in order at the conclusion of the debate on the amendment to the committee amendment. Is that correct?

The PRESIDING OFFICER. Where does the Senator from Minnesota desire his amendment to appear in the committee amendment?

Mr. HUMPHREY. At the end of line 6, page 4.

The PRESIDING OFFICER. The Chair advises the Senator from Minnesota that a request has been made for a severance of the amendment at a point which will come before the point proposed by the Senator from Minnesota.

Mr. HUMPHREY. Then wherever the severance is made or the surgery is performed, I should like to have some slight plastic surgery applied at that point. That is where I should like to place the amendment which has just been called up.

The PRESIDING OFFICER. The Senator from Minnesota will proceed.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. On what amendment is the Senator from Minnesota about to proceed?

The PRESIDING OFFICER. The Senator from Minnesota has offered an amendment which constitutes the portion of the severance which was requested by the Senator from New York.

Mr. KEATING. So the vote, when it is taken, will be on what?

The PRESIDING OFFICER. The vote will be taken on the amendment of the Senator from Minnesota to the committee amendment.

Mr. KEATING. But this amendment has no relationship to the paragraph on page 3; is that correct?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The Chair is unable to state that, because the amendment has not yet been read.

Mr. KEATING. After the reading of the amendment, I shall renew my parliamentary inquiry.

Mr. HUMPHREY. Mr. President, on whose time are we now proceeding?

The PRESIDING OFFICER. The time has not yet begun to run.

Mr. HUMPHREY. Mr. President, we must be proceeding on time available to someone.

The PRESIDING OFFICER. The amendment to the committee amendment has not yet been placed before the Senate.

Mr. HUMPHREY. Mr. President, I respectfully point out that my amendment to the committee amendment has been offered.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. To what bill is the amendment submitted?

Are we now dealing with an amendment to Senate bill 1748; or are we dealing with amendments which were reported by the distinguished Senator from Minnesota as committee amendments?

The PRESIDING OFFICER. A portion of the committee amendments was submitted, and a division was requested.

The Senator from Minnesota has submitted an amendment to the committee amendment.

The first question will be on agreeing to the amendment of the Senator from Minnesota to the committee amendment.

Mr. ELLENDER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. If that amendment to the committee amendment should be agreed to, will the issue again come before the Senate, in connection with the

question of amending the pending measure?

The PRESIDING OFFICER. If the pending amendment to the committee amendment is agreed to, the next question will be on agreeing to the committee amendment, as amended.

Mr. ELLENDER. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. As I understand the situation, the Senator from Minnesota proposes to further amend the committee amendment, not the bill.

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. How much time does the Senator from Minnesota allot to himself?

Mr. HUMPHREY. Mr. President, I understood that 15 minutes are available to each side, in connection with the amendment.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Mr. President, I shall allot myself whatever time I may require.

The PRESIDING OFFICER. Very well—out of the 15 minutes available to the Senator from Minnesota.

Mr. HUMPHREY. I shall not need to use all of the 15 minutes.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield for a parliamentary inquiry?

Mr. HUMPHREY. On whose time?

Mr. KEATING. On the time available to the Senator from Minnesota?

Mr. HUMPHREY. Yes, with my typical generosity.

Mr. KEATING. Mr. President, may we have the pending amendment to the committee amendment read?

The PRESIDING OFFICER. A unanimous-consent agreement was proposed, and no objection was made.

Mr. KEATING. In other words, I am too late in making my request?

Mr. HUMPHREY. The Senator from New York is never too late. In this particular instance, something happened while the Senator from New York was very busy.

Mr. KEATING. Will the Senator from Minnesota explain the amendment?

Mr. HUMPHREY. Yes; and I am about to do so, if the Senator from New York will permit me to.

Mr. President, several Senators suggested that a very important amendment which is lying at the desk be called up before they had to leave; and I thought we would accommodate them.

This amendment is on the Senate calendar as a bill reported from the Committee on Agriculture and Forestry. I believe it was reported by majority vote. I shall ask the committee staff to give me the facts in connection with the reporting of the amendment.

In any case, in our calendar for Friday, September 4, on page 9, Calendar No. 664 is Senate bill 2522, to provide for the enrichment and sanitary packaging of certain donated commodities, and to establish experimental food stamp allotment programs. The bill was reported to the Senate on August 11. It was my privilege to report the bill to the Senate, for the Committee on Agriculture and Forestry.

This bill is a combination of a proposal introduced by my esteemed friend and colleague on the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. JOHNSTON]. I now refer to the enrichment features, to enrich certain surplus foods, so they will be edible and usable and of a high dietary quality.

The other part of the bill is the Aiken-Young-Humphrey proposal; in fact, a dozen other Senators joined in the proposal for what we call a food stamp allotment program. The allotment part of it is the Aiken bill. The food stamp plan is the Symington bill.

In the Committee on Agriculture and Forestry, we held hearings for several days in regard to how best to utilize certain surplus foods for consumption in the United States, for our own needy people.

The Senator from South Carolina [Mr. JOHNSTON] pointed out, very properly and wisely, that some of the food in storage today is not usable without enrichment.

The Senator from Vermont [Mr. AIKEN] has been tirelessly—for years—seeking to have established a food allotment program as a means of supplementing inadequate diets.

The Senator from Missouri [Mr. SYMINGTON] has taken the lead, over the years, in offering to the Senate a food stamp plan, which years ago was a working arrangement in this country.

Mr. President, let me state what this particular amendment will do—inasmuch as the Senator from New York [Mr. KEATING] has asked me to explain its purpose.

The first section of the amendment provides that—

In order to insure the nutritional value of cornmeal, grits—

That word should strike a harmonious chord—

white rice—

Those words should appeal strongly to the chairman of the committee—

and white flour—

I will cheer for that—

when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, enriched rice, or enriched flour—

In other words, to make usable; or, in other words, instead of talking and talking about surplus foods, to talk about foods that will be usable for human diet.

The Senator from South Carolina [Mr. JOHNSTON] offered this amendment, not only because of his own judgment in regard to it, but also because every expert says this must be done if we are to use the foods which now are in storage.

I read now the next provision:

DEMONSTRATION PROGRAMS AUTHORIZED

SEC. 202. (a) The Secretary is authorized and directed, as soon as practicable after the date of enactment of this Act, to formulate and administer in geographically dispersed areas of the United States demonstration food stamp allotment programs under which food commodities will be made available to persons with low incomes, unemployed persons, and such other persons as the Secretary determines to be in need of the type of assistance made available under such programs.

(b) Demonstration food stamp allotment programs authorized by subsection (a) shall be administered by the Secretary in not less than three nor more than six different areas of the United States, and shall, to the extent practicable, be administered in areas determined by the Secretary of Labor to be areas of surplus labor. In carrying out the provisions of this section the Secretary shall provide for at least one such program in a rural area of the United States.

Mr. President, these are to be demonstration, pilot-project programs. The maximum amount of the authorization will be $20 million, to carry out these demonstration experimental food stamp allotment programs.

Mr. President, this bill is a good one. It has been reported by the committee. Long hearings were held. The bill has the support of the overwhelming majority of the members of the Committee on Agriculture and Forestry. This measure is on our calendar as a separate bill.

A much broader measure was passed by the House of Representatives.

I wish to say to my colleagues that when we go to conference, it seems to me we should have a measure which will be within these bounds of what I call experimental pilot projects.

Mr. SYMINGTON. Mr. President——

Mr. HUMPHREY. Mr. President, at this time I yield to the Senator from Missouri.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. HOLLAND. Is this program limited by application to surplus food already held by the Secretary of Agriculture?

Mr. HUMPHREY. No; it is not. It is use of surplus foods held by the Secretary of Agriculture, but not more than $20 million is to be expended for the surplus foods held by the Secretary of Agriculture and such other foods as he may deem necessary. The amount of money is limited.

Mr. SYMINGTON. Mr. President, as we have just heard, the senior Senator from Minnesota [Mr. HUMPHREY] has offered an amendment to S. 1748, which will provide for the establishment of a demonstration food stamp allotment program.

This amendment represents an important step toward promoting the health and welfare, augmenting the purchasing power, and improving the nutrition of those persons receiving public assistance, the unemployed, and other low income, needy persons.

Last month a more extensive food stamp plan was adopted in the House as part of the bill extending Public Law 480. This bill was introduced by a great lady from Missouri, Congresswoman LEONOR SULLIVAN, and passed overwhelmingly, 2 to 1.

Many of our fellow Americans are underfed and undernourished—and it is a tragic commentary that this should be true in a Nation as rich and productive as the United States.

Today there are nearly 4 million Americans unemployed. Nearly 2 million of these people do not now receive any assistance, or unemployment compensation. Consequently, they cannot purchase the foods needed for a balanced diet.

The problem is also serious for the several million of our fellow Americans whose only source of income is through public assistance.

These people—the aged, the dependent children, the blind, and the disabled—are finding it increasingly difficult to make ends meet on this limited income.

The average public assistance, per individual, is some $60 per month. With such an income, it is difficult to meet the basic costs of living and still purchase the food needed for a decent diet.

The amendment offered today would supplement the purchasing power of some of those needy persons by providing food certificates, or stamps, to be used as partial payment toward the purchase of needed nutritious foods, which are in surplus in this country.

The current food distribution program of the Department of Agriculture is making some food available to hungry persons in certain distressed areas throughout the country. But the program is far from adequate, either as to quantity or quality.

Throughout the United States we have billions of dollars of Government-stored food surpluses.

Hundreds of millions of dollars of this surplus is being shipped to people in foreign lands.

Surely we can afford this proposed plan for our own least fortunate citizens.

Therefore I urge favorable action on this amendment.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

This amendment provides for, first, the enrichment and sanitary packaging of cornmeal, grits, white rice, and white flour distributed to needy or to schools; and, second, demonstration food stamp programs in from three to six areas.

It is identical to S. 2522 which was reported by the Senate Committee on Agriculture on August 11, 1959. Both the Department of Agriculture and the Department of Health, Education, and Welfare are opposed to the establishment of a food stamp program.

The Department of Agriculture reports that programs are already in effect with respect to the distribution of surplus foods to needy persons and institutions.

For the first three-quarters of last fiscal year, monthly participation in the needy family program has averaged about 5.2 million people. This is in sharp contrast to the situation 5 years ago when less than a million needy people were receiving Federal surplus foods and the program was confined to but 223 counties. In April of this year, 1,200 counties and an additional 165 cities were participating. Through the first 9 months of last fiscal year, the States have distributed over one-half billion pounds of surplus goods to needy families. This exceeds the amount distributed in all of the prior fiscal year.

It is apparent from these comparisons that the States in operating their family welfare programs have found it possible in the past 5 years to make better use of Federal surplus foods to help out in emergency situations and to provide supplemental assistance to the aged, the handicapped, and others on State or local public assistance rolls.

Mr. President, as much as I would like to see some sort of a pilot plant food stamp plan enacted, I cannot agree that attaching such a plan to Public Law 480 is the manner in which to proceed.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. CURTIS. In reference to the first part of the amendment to the amendment, it calls for the enrichment of cornmeal, grits, and so on. Who is to do that? Is that a Government operation?

Mr. ELLENDER. Government money would be used to provide for such services on a contract basis.

Mr. CURTIS. Will the Government provide the facilities, and employ Government help to carry out the program as a Government project?

Mr. ELLENDER. As I understand, this plan would be operated by the Government, and the cost of it would be paid for out of the Treasury.

Mr. CURTIS. I know the cost will be, but what I am wondering is whether we are setting up an industry. The amendment provides:

When such foods are made available for distribution—

And the Government owns title to all that are made available for distribution—

such foods shall be enriched.

Is it planned to set up a Government program of processing plants, packaging, and doing whatever is necessary to enrich and package the food in a sanitary manner?

Mr. ELLENDER. The Government would have responsibility over the program. Of course the Government is doing that now by manufacturing flour, as the Senator knows.

Mr. CURTIS. Yes; but it does not own the flour mills.

Mr. ELLENDER. No.

Mr. CURTIS. What I am getting at is this: There is no language in the amendment which provides that it shall be done by contract. It merely provides that it shall be done. How?

Mr. ELLENDER. It is a Government food stamp plan on a trial basis, to be operated by the Government.

Mr. CURTIS. I am referring to the first section.

Mr. ELLENDER. I understand.

Mr. CURTIS. Is it the Senator's understanding that the Government will contract with someone to package and enrich this food, or are we launching a program under which the Government will build processing plants and operate them?

Mr. ELLENDER. The Government could do either, I suppose.

Mr. CURTIS. Are we authorizing either under the amendment?

Mr. ELLENDER. The point I wish to make is that it is a Government operation, whether under contract or directly by the Government, and Government money would be used in order to carry on the program.

Mr. President, I ask unanimous consent that the remainder of my prepared statement be printed in the RECORD, in order to conserve time.

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

On pages 59–63 of the hearings on food distribution programs the Department of Agriculture testified that the present program worked in the following manner:

"First, the Department enters into an agreement with some agency of the State government which assumes basic responsibility for program operations. We do not deal directly with political subdivisions of the State.

"Second, provisions are made for the sharing of costs between the Federal Government and the States. The Department provides the surplus food to the State at no cost, finances necessary processing and packaging costs, and ships the commodities in carload lots—on a freight-paid basis—to receiving points designated by the various States. States are responsible for arranging for the receipt, storage, and delivery of the surplus foods made available to them. They also make arrangements with their counties and communities for the operation of a distribution center where the eligible families can receive the food. (In a few metropolitan areas, local arrangements have been worked out to distribute surplus foods through retail stores.)

"Third, under our present operations States are responsible for establishing eligibility standards as to recipients and for developing a procedure for certifying applicant families. The Department, however, requires that the eligibility standards used by a State bear a relationship to the standards that the States use under their own regular welfare assistance programs. This requirement, we believe, is logical from the standpoint of gearing this surplus food program into the basic, on-going, welfare assistance programs of State and local governments. Also, we believe that this requirement helps to insure that these surplus food donations can be accomplished without any significant interference with regular food markets.

"We believe that experience has demonstrated the effectiveness of these food donation policies. By requiring an agency of the State government to assume overall responsibility for the program, we can be assured that the food donation program will be operated in a manner that is consistent with the policies the State follows in the administration of its basic welfare assistance programs. Under the present arrangement, delivery costs within a State can be held to a practical minimum through the use of State, county, or municipal food storage and handling facilities and, in some cases, with the use of volunteer labor. In addition, such a system maintains sufficient flexibility to permit the scope of the program to be adjusted to changes in the need for such a program or in the volume of surplus food available for donation. More importantly, however, we do not believe the Federal Government should undertake a direct food procurement program on a welfare basis. We do not see how it could help but be disruptive to orderly food marketing or help from exerting an upward pressure on food prices. The operation of welfare assistance

programs, basically, is a State and local responsibility. Nonetheless, a complete review would show that the Federal Government already is providing significant amounts of financial assistance to help States and localities carry out that responsibility under the welfare grants authorized by the Social Security Act and through the donation of surplus foods. We do not feel additional Federal action with respect to food assistance is warranted, although we support continued full use of Federal surplus foods to supplement the diets of needy people.

"Butter, dry milk, rice flour, and cornmeal have so far this year been available for donation to needy people in family units and these foods provide significant extra nutrients to needy people. At the rates of distribution recommended by the Department for a four-person family, for example, these surplus foods alone would provide almost one-fourth of the energy and protein allowances recommended by the food and nutrition board of the National Research Council. With the exception of fat and ascorbic acid, the donated foods also would provide between about one-sixth to one-third of the NRC[1] allowances for other nutrients. In addition, these contributions will be increased during the period needy families and institutions receive the dried eggs now being purchased under a section 32 surplus-removal program. As of May 28, a total of 3.5 million pounds of dried eggs, valued at $3.9 million, had been purchased."

Mr. JOHNSTON of South Carolina. If the Senators will look at the report——

The PRESIDING OFFICER. The Senator will suspend until it can be determined who is yielding time to him.

Mr. HUMPHREY. I will yield to the Senator.

Mr. JOHNSTON of South Carolinia. If Senators will look at the report on Calender No. 664, Report No. 657, at the bottom of page 3, they will find that the Department of Agriculture has estimated that the additional cost of enrichment and packaging required by the bill would be between $200,000 and $250,000.

Mr. CURTIS. That does not answer the question.

Mr. HUMPHREY. I will answer the question.

Mr. CURTIS. Is the Government to do it by contract or is the Government to do it by direct Government action?

Mr. HUMPHREY. I suppose that Secretary Benson has enough good sense to contract it out, just as he is currently doing for oversea distribution. We are already packaging food for overseas. We are already enriching food for people in Afghanistan, for example, but if we start doing something for people in this country by enriching food, certain questions arise. We have already started.

Mr. CURTIS. My question was very simple. Is the Senator proposing a Government activity?

Mr. HUMPHREY. No.

Mr. CURTIS. Or private enterprise?

Mr. HUMPHREY. I really feel, since this is a limited program for a year, and since I suppose that Secretary Benson is not to be fired—although I have had the courage at times to say that such a noble purpose should be fulfilled—it appears that this great patron of private enterprise will do it on a contract basis. I will give the Senate my word, and I amend the amendment by saying that the processing shall not be done through socialistic methods but the noble standards of our free enterprise shall be adhered to.

Mr. CURTIS. At what point in the amendment would that language be inserted?

Mr. HUMPHREY. That amendment is included.

Mr. President, one point needs to be clarified. The Senator from Missouri was concerned, as was the Senator from Louisiana and others, about the term "surplus." This does apply to surplus foods, but all surplus foods do not necessarily have to be in the possession of the Commodity Credit Corporation. Again we rely upon the Secretary of Agriculture to determine those supplies that are in surplus.

Mr. GRUENING. Will the Senator yield for a question?

Mr. HUMPHREY. Yes; I yield.

Mr. GRUENING. Will the senior Senator from Minnesota tell us whether he is proposing an amendment which actually would do something for the American people exclusively?

Mr. HUMPHREY. This is a great day. That is true. I do not think we shall be damaged. All that is involved is a little pilot project.

I can assure Senators that if this amendment is adopted, a few good, solid, substantial citizens in the United States, people who once were taxpayers and who gave their sons and daughters to the country, may get some food stamps. Would that not be wonderful? And they may get some enriched food like that which people abroad get. I think we should package it too, just as the Senator from South Carolina [Mr. JOHNSTON] has proposed. I think he is to be commended for his efforts.

Mr. GRUENING. What a wonderful present it would be to do something for the American people.

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

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I certainly want to join my colleague, the senior Senator from Minnesota, in support of this proposal to amend Public Law 480 so as to provide for a food stamp plan.

The proposal of the Senator from Minnesota is similar to one on which I have worked for quite a number of years. It is one I believe in. It is a proposal which I feel will do double duty in two areas of our economy which need relief.

First, one of the most pressing domestic problems facing our Nation today is the tragic plight of the American farmer. The root of this very real problem is the surplus commodities headache.

We have not been able to "eat our way out of the surplus" through the Benson assumption that lower prices for farm products would mean lower retail prices for foods, thus inducing housewives to increase their purchases.

Second, my colleague's food stamp proposal will provide assistance for millions of our less fortunately situated citizens at the same time it provides a wider outlet for disposal of the staggering surplus of agricultural products.

Over the years, numerous attempts have been made to increase the demand for farm products. Research programs have been carried on designed to find new uses. We have sold our surpluses at prices below the market level to the needy, to industrial users, and to foreign countries. We have even tried to give the surpluses away, sometimes without success.

But there has been nothing systematic or organized about these efforts. They have received far less emphasis than the other approach of restricting production. With one conspicuous exception, they have not been integrated into our present methods of distribution.

It is that one exception which may hold some hope for the future. It was tried with conspicuous success just before World War II. During the war it was abandoned, and it has never been revived. I am speaking of the food stamp plan.

Older persons receiving social security benefits represent a class of citizens for whom the food stamp plan would be particularly well suited. Under the benefits they now receive, it is hard for our older persons just to exist, to say nothing of having a decent and adequate diet. Moreover, if they find jobs which bring their incomes above a minimum level, they lose their social security benefits. What could be more desirable than a program which would enable our older citizens to eat more and better food and which at the same time would raise the incomes of the American farmer?

One of the most desirable attributes of the food stamp plan is its flexibility, a feature not possessed by many other farm programs.

As supply and demand conditions changed, new products could be put on the surplus list and others taken off. The amount of free stamps given with each purchase of regular stamps could be varied with changing conditions.

Finally, its overall scope, which is determined by the number of free stamps issued, could be increased or decreased at will. We could always know its cost because it would be determined in advance.

In closing, may I again emphasize that the food stamp plan is by no means the complete answer to the farm problem. It is just one step, but, I believe, a step in the right direction.

It has these merits:

It will increase farm incomes.

It will enlarge and improve food consumption of those whose need is the greatest.

It fits perfectly into our present method of food processing and distribution.

It can be quickly expanded if unemployment becomes a serious problem.

It is well suited to the needs of all persons receiving social security benefits, particularly our older citizens.

It is flexible and adaptable to changing conditions.

Its cost would be set and known in advance.

Finally, it has been tried in the past and it works.

[1] National Research Council.

A great philosopher once said that the only thing men learn from history is that men learn nothing from history. This observation is usually recalled when we repeat a mistake of the past. It is equally appropriate when we fail to repeat a success of the past.

I urge the adoption of the amendment of my distinguished colleague, the able senior Senator from Minnesota.

Mr. ELLENDER. Mr. President, I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, Senators who were here 3 or 4 years ago, when we initiated the current program in this field, will remember that the Senator from Florida handled it, both as chairman of the subcommittee and on the floor.

They will remember that it was established because of heavy unemployment in the coal industry in two States at that time; and the unemployment later spread to other places.

I am glad to report to the Senate that under that program exactly the same commodities which would be covered by the pending bill are now being distributed—but through the States and local official agencies—to those who need them, and to a total of several millions of our people.

The total in 1958 was of a value of $457,900,000. The total in 1959 was of a value of $413,400,000. Forty-three States are currently participating in this program.

Mr. President, because the time does not permit me to read it in full, I ask unanimous consent at this time that the latest report of the Department of Agriculture, dated September 3 of this year, USDA 2459-59, be fully printed in the RECORD at this point.

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

USDA SURPLUS FOOD DONATIONS SET RECORD IN 1959 FISCAL YEAR

U.S. DEPARTMENT OF AGRICULTURE,
September 3, 1959.

A record total of nearly 3 billion pounds of surplus foods was donated by the U.S. Department of Agriculture during fiscal year 1959 for use in school lunch programs and by charitable institutions in this country and by needy persons both here and abroad. Distribution totaled 2,979,600,000 pounds, an increase of 5 percent over the previous fiscal year, and marked a record high volume for donations of Government-owned foods.

Domestic outlets received all of the increase, with donations to schools, institutions, and needy persons totaling slightly more than 1 billion pounds for the year, compared with 871,600,000 pounds the previous year. Greater amounts of wheat flour, cornmeal, rice, nonfat dry milk, and butter to needy persons in family units accounted for most of the gain.

Donations for foreign distribution amounted to 1,867,200,000 pounds in fiscal year 1959, a decline of about 100 million pounds from 1958. Increased donations of wheat flour were offset by decreased amounts of cheese, which was removed from the foreign donation list in July 1958 to reserve the declining Government-owned stocks for domestic outlets.

The foods were acquired through USDA's price-support and surplus-removal programs and were made available through the distribution program of the USDA's Agricultural Marketing Service. They are distributed to eligible recipients in this country through designated agencies of State and local governments. Foreign distribution in 91 countries was handled by 19 U.S. voluntary church and welfare organizations. Surplus foods are donated for overseas relief only after sufficient stocks have been made available to meet needs of recipients in this country.

In addition to regular distribution, surplus foods are made immediately available to victims of natural disasters. In the 1959 fiscal year, about 309,000 pounds of food were distributed to some 21,000 people in 6 States, American Samoa, and Puerto Rico under that plan.

During the 1959 fiscal year, approximately 250 million pounds of food donated through the direct distribution program benefited some 14 million schoolchildren taking part in school lunch programs. And 1,400,000 persons in charitable institutions in this country received a total of 156 million pounds. Distribution of surplus commodities to schools and institutions is made in all the States, the District of Columbia, and in five territories. Not included in these figures are foods which the Department has purchased specifically for schools participating in the national school lunch program.

Distribution to needy persons during the year totaled over 706¾ million pounds, an increase of 50 percent from the 471½ million pounds in fiscal 1958. Participation varied from month to month, and ranged from a high of 5¾ million persons to a low of 4¾ million.

Currently, 43 States, the District of Columbia, Puerto Rico, American Samoa, and the Trust Territory of the Pacific are distributing surplus foods to needy persons, with 150 cities and 1,160 counties participating in those States. The following table shows the number of needy persons in family units receiving donated commodities in June 1959:

Alabama	127,127
Arizona	50,423
Arkansas	178,341
California	23,215
Colorado	18,799
Connecticut	587
Delaware	3,062
District of Columbia	29,604
Georgia	30,878
Illinois	79,281
Indiana	75,485
Iowa	65,919
Kansas	11,370
Kentucky	280,968
Louisiana	120,604
Maine	56,543
Maryland	44,532
Massachusetts	4,114
Michigan	380,343
Minnesota	33,314
Mississippi	179,055
Missouri	93,153
Montana	8,877
Nevada	992
New Hampshire	6,703
New Jersey	13,789
New Mexico	35,628
New York	364,056
North Dakota	5,320
Ohio	113,568
Oklahoma	232,186
Pennsylvania	735,368
Puerto Rico	595,430
Rhode Island	11,432
South Dakota	23,994
Tennessee	149,458
Texas	118,138
Utah	11,667
Vermont	11,633
Virgina	37,404
Washington	3,977
West Virginia	295,345
Wisconsin	40,076
Wyoming	7,468
Trust territory	3,218
Samoa (American)	2,905
Total	4,715,349

The following tables show totals of surplus foods donated for domestic and foreign distribution during the 12 months, July 1958 through June 1959, by commodities, their costs, and with comparisons for the previous fiscal year:

Cost of surplus foods donated for domestic and foreign use,[1] fiscal years 1958 and 1959

[In millions of dollars]

Commodity	Domestic								Foreign distribution; fiscal year—		Total distribution; fiscal year—	
	Schools; fiscal year—		Institutions; fiscal year—		Needy persons; fiscal year—		Total; fiscal year—					
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Beans, dry	1.6	0.4	(2)	(2)	0.1		1.7	0.4			1.7	0.4
Butter	42.6	39.6	17.9	16.7	8.0	33.1	68.5	89.4			68.5	89.4
Cabbage		.1		(2)				.1				.1
Cheese	13.1	13.4	5.7	3.1	27.5	18.6	46.3	35.1	80.6	[4] 16.3	126.9	51.4
Corn									3.0	2.4	3.0	2.4
Cornmeal	1.1	.7	.6	.5	6.5	6.8	8.2	8.0	21.6	17.7	29.8	25.7
Eggs, dried	5.2	.1		.2		1.1	5.2	1.4			5.2	1.4
Flour	4.6	4.7	5.6	5.0	11.6	15.6	21.8	25.3	60.0	66.0	81.8	91.3
Grapefruit, canned	.9						.9				.9	
Milk, nonfat dry	3.8	4.3	2.7	2.9	15.8	22.4	22.3	29.6	101.6	100.5	123.9	130.1
Peanut butter	.8	1.2					.8	1.2			.8	1.2
Rice	2.3	2.3	1.0	1.4	6.4	9.4	9.7	13.1	3.5	3.9	13.2	17.0
Wheat									2.2	3.0	2.2	3.0
Total	76.0	66.8	33.5	29.8	75.9	107.0	185.4	203.6	272.5	209.8	457.9	413.4

[1] Represents total cost to the Federal Government. Includes commodity cost, warehousing, transportation, processing, repackaging, and miscellaneous handling charges.

[2] Less than $50,000.

[3] Includes requests approved prior to July 1, 1958.

[4] Distribution from fiscal year 1958 purchase.

Quantities of surplus foods donated for domestic and foreign use fiscal, years 1958 and 1959

[Million pounds]

Commodity	Domestic								Foreign distribution; fiscal year—		Total distribution; fiscal year—	
	Schools; fiscal year—		Institutions; fiscal year—		Needy persons; fiscal year—		Total; fiscal year—					
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Beans, dry	17.9	4.5	0.3	0.1	1.0		19.2	4.6			19.2	4.6
Butter	68.9	64.6	29.0	27.1	12.9	54.0	110.8	145.7			110.8	145.7
Cabbage		3.4		1.0				4.4				4.4
Cheese	32.9	36.7	14.4	8.5	68.9	51.1	116.2	96.3	193.4	[1] 38.7	309.6	135.0
Corn									62.5	40.2	62.5	40.2
Cornmeal	16.6	15.0	8.6	9.3	96.1	142.2	121.3	166.5	298.2	276.4	419.5	442.9
Eggs, dried	4.6	[2] .1		.2		1.0	4.6	1.3			4.6	1.3
Flour	58.6	75.0	72.6	81.0	149.0	250.0	280.2	406.0	769.7	862.8	1,049.9	1,268.8
Grapefruit, canned	6.5						6.5				6.5	
Milk, nonfat dry	21.1	24.4	14.7	16.7	87.3	127.7	123.1	168.8	549.7	554.3	672.8	723.1
Peanut butter	4.9	6.0					4.9	6.0			4.9	6.0
Rice	19.8	20.0	8.7	12.0	56.3	80.8	84.8	112.8	59.6	54.1	144.4	166.9
Wheat									39.9	40.7	39.9	40.7
Total	251.8	249.7	148.3	155.9	471.5	706.8	871.6	1,112.4	1,973.0	1,867.2	2,844.6	2,979.6

[1] Includes requests approved prior to July 1, 1958.

[2] Distribution from fiscal year 1958 purchase.

Mr. HOLLAND. Mr. President, nearly 3 billion pounds of surplus foods of all kinds were distributed to our people, under this program, in the fiscal year ending on July 1, 1959.

The Secretary of Agriculture has very strongly opposed the addition of even this limited food stamp program—which would be a very minor one, $20 million, applicable in only six limited areas—because of the fact that it would be a duplicate program, reaching to the same general class of people, every one of whom is eligible now, provided the authorities in the State, county, or city are willing to assume the responsibility of distribution, which has been done in very great degree in each year of the operation of the present program.

Mr. President, I think the RECORD should show also that the bill introduced by my distinguished friend, the Senator from South Carolina [Mr. JOHNSTON], referred to by the Senator from Minnesota, had nothing to do with this particular bill or program; but it was a highly meritorious bill, suggesting that enrichment processes be used in connection with surplus foods now being distributed under the existing program. That bill was reported to the Senate, as I recall, unanimously—the Senator from South Carolina can correct me if I am inaccurate—and is on the calendar.

I would be perfectly willing and happy to see the pending program changed so as to make more nourishing every one of the surplus foods we have on hand now, and which we may have on hand in the future.

I am willing to have it apply now to surplus foods, whether they come under the price support program or whether they are bought under section 32, when surpluses arise in various perishable commodities.

Mr. President, to attempt a second, duplicate program, to make a welfare official of the Secretary of Agriculture, over his strenuous opposition, and when this new program would be but a drop in the bucket compared to the tremendous program already being accomplished, bringing all kinds of administrative difficulties into the picture, I think would be most unwise. Therefore I oppose it.

Mr. KUCHEL. Mr. President, I yield 1 minute to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, for the last 15 years a food allotment program has been proposed. It is something that ought to be considered seriously. However, I will not vote to put the food allotment program onto other amendments which, judging from previous votes, are likely to be defeated. I would much prefer to have the food allotment program stand on its own feet, and not be tied to a sudden death amendment or defeated in any other way.

Therefore, if I have to vote against the pending amendment I do not want that vote to be construed as meaning I am opposed to the food allotment program, because I am in favor of a food allotment program but I am not in favor of committing hara-kiri in this matter.

Mr. HUMPHREY. Mr. President, will the acting minority leader yield me 1 minute?

Mr. KUCHEL. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I understand the Senator's concern, but I say to the Senator from Vermont that the Senator from New York [Mr. KEATING] has asked for a division of the amendments relating to section 104, and we shall be voting on those separately. Then, if these particular amendments do not succeed, there is one amendment which the Senator from New York insists stand on its own, namely, the administration proposal for $2 million for extra supplies. I say to my friend, who is the main sponsor of this proposal——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KUCHEL. Mr. President, I yield 30 additional seconds to the Senator from Minnesota.

Mr. HUMPHREY. The Senator cannot waste his vote on this amendment, because other items will have to be voted on before this particular amendment is added to the bill.

Mr. AIKEN. Is it proposed to add this amendment to the other amendments?

Mr. HUMPHREY. We shall vote on this one first, but then the other amendments are to be divided, and then this particular amendment will be put on whatever other amendments are left in section 104.

Mr. AIKEN. I understood the Senator from Minnesota was proposing the food allotment amendment as an amendment to another amendment.

Mr. HUMPHREY. To the committee amendments; but the committee amendments are to be divided, according to the suggestion made by the Senator from New York [Mr. KEATING]. The parliamentary situation, as I understand, is that the Senate will vote on this amendment, and then vote on the division of the other committee amendments under section 104(k).

I ask the Chair if that is correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. If they are defeated, this particular amendment will stand on its own merits.

Mr. AIKEN. Mr. President, will the Senator offer it again?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. HICKENLOOPER. Mr. President, does the Senator from Louisiana have time remaining?

Mr. ELLENDER. Yes. I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I certainly agree that the amendment should not be tacked on to Public Law 480.

There are certain features in regard to the amendment which, at the proper time and the proper place, it might be well to consider.

Again I should like to state for the RECORD the fact that needy people in this country have indeed been getting food. Nearly 3 billion pounds of Federal surplus foods were donated by the Department of Agriculture in 1959. In 1959 5¾ million people in family units received surplus foods. More than 21 million people in this country this year were beneficiaries. We are not neglecting the needy people in this country. The needy people are getting food.

This is a proposal for a new program, superimposed on the old. I do not think it has any place in the bill under consideration. I think it should be consid-

ered on its own merits, separate and distinct from Public Law 480.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota to the committee amendment. 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 Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent because of illness.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the interparliamentary meeting in Warsaw, Poland.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. CASE] is absent on official business attending the Interparliamentary Union Conference at Warsaw, Poland.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

The result was announced—yeas 41, nays 46, as follows:

YEAS—41

Aiken	Hart	Monroney
Anderson	Hill	Morse
Byrd, W. Va.	Humphrey	Moss
Cannon	Jackson	Muskie
Carroll	Johnson, Tex.	Neuberger
Clark	Johnston, S.C.	Pastore
Cooper	Kefauver	Proxmire
Dodd	Kerr	Randolph
Douglas	Long, Hawaii	Sparkman
Engle	Long, La.	Symington
Frear	McCarthy	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Magnuson	Young, Ohio
Gruening	Mansfield	

NAYS—46

Allott	Bush	Cotton
Bartlett	Butler	Curtis
Beall	Byrd, Va.	Dworshak
Bennett	Capehart	Eastland
Bible	Carlson	Ellender
Bridges	Case, N.J.	Ervin
Fong	Lausche	Scott
Hayden	McClellan	Smith
Hickenlooper	Martin	Stennis
Holland	Morton	Talmadge
Hruska	Mundt	Thurmond
Javits	Prouty	Wiley
Jordan	Robertson	Williams, Del.
Keating	Russell	Young, N. Dak.
Kuchel	Saltonstall	
Langer	Schoeppel	

NOT VOTING—13

Case, S. Dak.	Green	Murray
Chavez	Hartke	O'Mahoney
Church	Hennings	Smathers
Dirksen	Kennedy	
Goldwater	McGee	

So Mr. HUMPHREY's amendment to the committee amendment was rejected.

Mr. ELLENDER. I move that the Senate reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

GOVERNMENT BOND PRICES

Mr. CAPEHART. Mr. President, on September 2, 1959 the Senator from Tennessee [Mr. GORE] raised the question in the Senate as to why marketable Treasury bonds issued in the period August 1957 to June 1958 could be offered at successively lower rates dropping from 4 percent in the fall of 1957 to 2⅝ percent in June 1958 in comparison with the higher rates prevailing now on both Treasury and high-grade corporate bonds.

The Senator from Tennessee obtained unanimous consent for me to place in the RECORD the answer to this question. I ask unanimous consent that it be 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:

It is only necessary to look behind the figures at the hard facts of the economic situation to find the explanation for the differences in interest rates in these two periods. What was not pointed out in making the comparison is that the period of declining interest rates in 1957–58 was also a period of rising unemployment, declining incomes, and falling output. Monetary policies during that period were properly directed toward easier credit as a means of helping us get out of the recession.

Today, in contrast, our economy has passed the recovery point and is moving rapidly into the boom phase. Employment is high, incomes are rising and—up to the time of the steel strike—output was expanding in almost every sector of the economy. Under these circumstances there has been a heavy demand for credit and interest rates have moved up in response to this demand.

The question is simply this: Do we want the low interest rates which accompany a recessionary situation, or do we want a prosperous economy in which the higher level of interest rates reflects a strong demand for funds? As Secretary of the Treasury Anderson stated in his testimony before the House Ways and Means Committee on June 10, 1959: "Interest rates commonly decline during recessions, partly because of a slackening demand for funds on the part of individuals and businesses, partly because of a relative increase in availability of financial savings, and partly because of greater availability of bank credit in connection with a flexible shift of monetary policy toward credit ease."

No responsible government, the Secretary adds, would attempt to induce recession—with its accompanying loss of production and rise in unemployment—simply to produce lower rates of interest. "For a responsible government, the choice between high levels of business activity and employment as opposed to low interest rates is actually no choice at all. Stated differently, high interest rates are not an end in themselves; rather they are the usual accompaniment of the active credit demands that characterize expansion in production, employment, and income."

As was suggested in the debate in the Senate on September 2, there is one way of getting interest rates down in a boom period. This is to require the Federal Reserve to support Treasury bonds by standing ready to purchase any amount of them at a stated price—as was done during World War II and in the early part of the postwar period. The unfortunate experience with this technique up to 1951, when it was abandoned, should convince serious observers of the dangers involved.

During the period of market support, as a former Chairman of the Board of Governors of the Federal Reserve System has remarked, the System was transformed into an "engine of inflation." It could not fulfill the central banking function of attempting to promote sustainable economic growth, since market operations of the System could take place in only one direction: The creation of bank reserves through purchases of securities in whatever amounts market holders should desire.

To sum up: Interest rates are higher now than they were in 1957–58 because our economy has changed from recession to a rate of activity close to boom proportions. We could probably bring interest rates down somewhat by returning to a policy of Federal Reserve support for Treasury bonds. But this would open the floodgates to an increase in the money supply which would be entirely beyond the power of the Federal Reserve System to control. The result would almost certainly be a disastrous inflation leading to later recession, with the loss and damage which that entails to the entire economy.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 2033. A bill to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claim (Rept. No. 904).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 8437. An act to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500 (Rept. No. 906).

By Mr. HUMPHREY, from the Committee on Foreign Relations, with amendments.

S. Res. 129. Resolution favoring continued efforts by all nations to strengthen cooperation in health and research activities (Rept. No. 905).

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

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency (Rept. No. 907).

By Mr. PASTORE, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1886. A bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities (Rept. No. 908).

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958, RELATING TO CERTAIN ADJUSTMENTS IN HIGHWAY PROGRAM—REPORTS OF COMMITTEES—MINORITY AND INDIVIDUAL VIEWS

Mr. CHAVEZ. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 8678) to amend the Federal-Aid Highways Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, and I submit a report (No. 902) thereon.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider House bill 8678.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I move that the bill be referred to the Committee on Finance.

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

Subsequently, Mr. BYRD of Virginia, from the Committee on Finance, reported the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, with amendments, and submitted a report (No. 903) thereon.

Mr. GORE subsequently said: Mr. President, on behalf of myself, the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. MCCARTHY], as members of the Committee on Finance, I submit minority views to the report on House bill 8678, the Federal Highway Act, together with the individual views of the senior Senator from Illinois [Mr. DOUGLAS]. I ask unanimous consent that the minority and individual views be accepted and printed, as part of the report of the Committee on Finance.

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

Mr. NEUBERGER subsequently said: Mr. President, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Iowa [Mr. MARTIN], the Senator from Vermont [Mr. PROUTY], and the Senator from Pennsylvania [Mr. SCOTT], as members of the Committee on Public Works, I submit minority views on House bill 8678, the Federal-aid highway bill, and I ask unanimous consent that they be printed with the majority report of the committee.

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

ADDITIONAL BILLS INTRODUCED

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

By Mr. BEALL:

S. 2647. A bill for the relief of Hans Goldstein; to the Committee on Finance.

By Mr. JAVITS:

S. 2648. A bill for the relief of Nathan Isenberg; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2649. A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law; to the Committee on the Labor and Public Welfare.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT ASSISTANCE ACT OF 1954—AMENDMENT

Mr. KENNEDY (for himself, Mr. HART, Mr. CLARK, Mr. YOUNG of Ohio, Mr. CARROLL, Mr. MCNAMARA, Mr. RANDOLPH, Mr. MANSFIELD, Mr. MORSE, Mr. BYRD of West Virginia, Mr. MURRAY, Mr. MCCARTHY, Mr. YARBOROUGH, and Mr. MCGEE) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was ordered to lie on the table and to be printed.

EXTENSION OF AUTHORITY OF SURGEON GENERAL RELATING TO AIR POLLUTION CONTROL—AMENDMENT

Mr. CHAVEZ submitted an amendment, intended to be proposed by him, to the bill (H.R. 7476) to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control, which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—AMENDMENTS

Mr. DOUGLAS (for himself, Mr. CLARK, Mr. PROXMIRE, and Mr. MCCARTHY) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which was ordered to lie on the table and be printed.

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to House bill 8678, supra, which was ordered to lie on the table and to be printed.

PUBLIC LAND WITHDRAWALS ACT AMENDMENTS OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 24, 1959, the names of Senators ANDERSON, BIBLE, BYRD of West Virginia, CANNON, CARROLL, CHAVEZ, CLARK, DODD, DOUGLAS, ENGLE, FONG, HART, HARTKE, HOLLAND, HUMPHREY, JOHNSTON of South Carolina, KEFAUVER, KERR, LANGER, LAUSCHE, LONG of Hawaii, MAGNUSON, MANSFIELD, MCCARTHY, MORSE, MOSS, MURRAY, MUSKIE, RANDOLPH, SYMINGTON, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio were added as additional cosponsors of the bill (S. 2587) to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government, introduced by Mr. BARTLETT (for himself and Mr. GRUENING) on August 24, 1959.

AUTHORITY FOR SELECT COMMITTEE ON SMALL BUSINESS TO SUBMIT REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Shopping Centers—1959," and that the report be printed.

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

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Dual Distribution in the Automotive Tire Industry—1959," and that the report be printed.

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

PRINTING AS A SENATE DOCUMENT SPECIAL STUDY ENTITLED "SOVIET ECONOMIC PENETRATION IN THE MIDDLE EAST"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a special study entitled "Soviet Economic Penetration in the Middle East," prepared at my request by Dr. Halford L. Hoskins, of the Legislative Reference Service, be printed as a Senate document.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 4, 1959, he presented to the President of the United States the following enrolled bills:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons;

S. 53. An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the domestic relations branch in the municipal court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia;

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons re-

ceiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor;

S. 2424. An act 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; and

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto.

RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. I move that the Senate stand in recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 42 minutes p.m.) the Senate took a recess until tomorrow, Saturday, September 5, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 4 (legislative day of August 31), 1959:

U.S. JUDGES

John Lewis Smith, Jr., of the District of Columbia, to be chief judge of the Municipal Court for the District of Columbia for the term of 10 years, vice Leonard P. Walsh, elevated.

DeWitt S. Hyde, of Maryland, to be associate judge of the Municipal Court for the District of Columbia for the term of 10 years, vice John Lewis Smith, Jr., elevated.

Milton S. Kronheim, Jr., of the District of Columbia, to be an associate judge of the Municipal Court for the District of Columbia for the term of 10 years. He is now serving in this office under an appointment which expired March 29, 1959.

IN THE COAST GUARD

The following-named person to be a lieutenant commander in the U.S. Coast Guard:

Alvin T. Durgin, Jr.

The following-named persons to be lieutenants in the U.S. Coast Guard:

James A. Atkinson	Harold B. Summey
Robert W. Finnie	Julius Leo Weisgerber
Joseph L. E. Hamilton	Edmund R. Corkery
William H. Simpson	Edward J. Sullivan, Jr.

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

John B. Ekman
Harry A. Rowe
Joseph J. Wicks

The following-named person to be a chief warrant officer, W-4 in the U.S. Coast Guard:

James R. Walsh

The following-named persons to be chief warrant officers, W-3 in the U.S. Coast Guard:

Hugo A. Cruz
Robert C. Sykes

HOUSE OF REPRESENTATIVES

FRIDAY, SEPTEMBER 4, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 112: 7: *He shall not be afraid of evil tidings: his heart is fixed, trusting in the Lord.*

Eternal and ever-blessed God, inspire us now to receive and respond to all the experiences of this new day in ways that shall be acceptable unto Thee.

Grant that we may have a greater insight into Thy gracious and beneficent purposes and seek more eagerly to bring them to fulfillment.

We pray that Thou wilt lead us in these perilous times into those safety zones of peace and blessedness which Thou hast marked out for all who put their trust in Thee.

May none of the pressures of life deflect our minds and hearts from loyalty to those noble ideals and instincts which Thou hast implanted within our souls.

Help us to give ourselves as completely to the work of preserving our freedoms as our forefathers gave their lives to the task of establishing them.

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

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 53. An act to amend the acts approved April 16 and July 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley project schools, Yellowstone County, Mont.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) entitled "An act 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."

The message also announced the appointment of the Senator from Colorado, Mr. CARROLL, to be a conferee on the bill (S. 607) entitled "An act for the relief of the estate of Sinclair G. Stanley," in place of the Senator from Wyoming, Mr. O'MAHONEY, excused.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 60-5.

PUBLIC WORKS APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the public works appropriation bill.

Mr. JENSEN. Mr. Speaker, I reserve all points of order.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, does this request have anything to do in any way with bringing up the bill tomorrow?

Mr. CANNON. It has nothing at all to do with bringing up the bill. It merely gives us until midnight to file a report to be brought up at any time the two distinguished gentlemen, the majority and the minority leaders, decide to bring it up.

Mr. McCORMACK. Just a moment. The gentleman from Missouri said at any time the majority and the minority leaders decide to bring it up. The Speaker has a voice, too, and every Member has a voice. It takes a unanimous-consent request.

Mr. HALLECK. Under the rules of the House, of course, the bill would have to lie over for 3 days unless unanimous consent is given for its consideration.

Mr. McCORMACK. Naturally.

Mr. HALLECK. And, of course, if there is objection to its being considered tomorrow, then it would have to lie over.

Mr. CANNON. All we ask is that we have until midnight tonight to file a report.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1960

Mr. SHEPPARD. Mr. Speaker, I call up the conference report on the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1146)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 11, 12, 13, and 14, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$204,112,400"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$776,832,500"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,980,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 2.

HARRY R. SHEPPARD,
JAMIE L. WHITTEN,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

JOHN STENNIS,
DENNIS CHAVEZ,
RICHARD B. RUSSELL,
LYNDON B. JOHNSON,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8575) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

ADVANCED RESEARCH PROJECTS AGENCY

Amendment No. 1—Advanced Research Projects Agency: Corrects appropriation title.

MILITARY CONSTRUCTION, ARMY

Amendment No. 2—Military Construction, Army: Reported in technical disagreement. The committee of conference has approved the program as proposed by the House with the deletions thereto proposed by the Senate and the following additional projects:

(Army)

White Sands Missile Range, New Mexico, commissary	$254,000
Fort Lee, Virginia:	
Enlisted men's barracks	203,600
Bachelor officer quarters	289,000
Fort Huachuca, Arizona:	
1 barracks	690,000
Heating plant	145,000
Bn. Adm. & Supply Bldg	267,000
Bn. Mess Bldg	365,000
Cold Regions Laboratory, New Hampshire	225,000
Fort Eustis, Virginia, hospital	3,500,000
Carlisle Barracks, Pennsylvania, infirmary	1,130,000
Fort Meade, Maryland	879,000
Fort Benning, Georgia, bachelor officer quarters	682,000
Fort McClellan, Alabama, hospital	2,625,000
Fort Sam Houston, Texas, aircraft facilities	510,000
Fort Sill, Oklahoma, missile training facilities	1,800,000
U.S. Military Academy, barracks	4,225,000
Helemano, Hawaii, land acquisition	90,000
Army Security Agency, location 12	1,700,000
Army Security Agency, location 23	1,025,000
Forward depots	1,000,000
Minor construction	275,000
Access roads	263,000

Hospitals: The conferees have approved the amounts shown above and in amendment Nos. 3 and 5 for hospital construction for the services. This is done with specific directions to the Secretary of Defense that the funds will be used to meet all hospital requirements, including fixed equipment, at each location, construction will be strictly on a utilitarian basis to meet essential needs and maximum utilization made of existing private and governmental medical facilities in the area. The Secretary of Defense is directed to certify to the Committees on Appropriations of the House of Representatives and the Senate prior to the obligation of construction funds for each facility that the service concerned is in compliance with these conditions. The committee of conference directs that available equipment be utilized to equip these hospitals prior to initiation of new procurement, including fixed equipment and other equipment not normally financed from construction funds.

Fort Huachuca, Arizona: The committee of conference has confirmed the House action in reducing funds for construction at Fort Huachuca, Arizona, due to high costs. Funds requested at this installation in the future should be based on costs similar to those experienced elsewhere within the continental United States.

Fort Knox, Kentucky: The committee of conference has deleted the $347,000 approved by the Senate for post office facilities at Fort Knox, Kentucky. The Defense Department is directed to thoroughly review existing facilities at this location to meet the need for this postal substation. The Post Office Department is expected to restudy the need for a substation of this size and scope at this location.

Fort Sam Houston, Texas: The conferees are in agreement that the funds mentioned above for Fort Sam Houston, Texas, have been provided with the specific understanding that this will be the only facility maintained in this general geographical area for the training of personnel in the proper utilization of helicopters in aero-medical evacuation services.

Fort Sill, Oklahoma: The conferees have approved $1,800,000 for certain missile training facilities requested for Fort Sill, Oklahoma, instead of $2,500,000 as proposed by the Senate. The Department of Defense is directed to restudy the requirements at this installation and at Fort Bliss, Texas, especially in view of the reduction in the air defense program, to insure the maximum utilization of facilities at these two installations and to use these funds only to meet essential requirements.

Location 12, Japan: The conferees have approved $1,700,000 for an Army Security Agency facility in Japan as proposed by the Senate. The conferees are in agreement that these funds are available only for the purchase of local currencies available through the United States Treasury and to be used only for the construction of facilities, other than housing and community facilities, at this location.

MILITARY CONSTRUCTION, NAVY

Amendment No. 3—Military Construction, Navy: Appropriates $204,112,400 instead of $180,048,000 as proposed by the House and $225,785,400 as proposed by the Senate. The committee of conference has approved the funding program as proposed by the House and the following additional projects:

Naval Submarine Base, New London, Connecticut:	
Barracks	$2,225,000
Land acquisition	27,000
NAS, Meridian, Mississippi:	
Crosswind runway	1,729,000
Outlying field	2,887,000
NAS, Lemoore, California, hospital	1,874,000
NAMC, Philadelphia, Pennsylvania	333,000
NNMC, Bethesda, Maryland	6,788,000
NRL, Washington, D.C	1,591,000
NSD, Guam, POL facilities	3,060,000
NTC, Great Lakes, Illinois	3,250,000
Minor construction	175,000
Access roads	125,000

Amendment No. 4—Military Construction, Navy: Deletes language proposed by the Senate.

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 5—Military Construction, Air Force: Appropriates $776,832,500 instead of $756,616,600 as proposed by the House and $803,495,600 as proposed by the Senate. The committee of conference has approved the funding program as proposed by the House and the following additional projects:

SAC dispersed maintenance shops	$2,650,000
Ground powered equipment shops	750,000
Shepherd AFB, hospital	5,547,200
L. G. Hanscom AFB:	
Laboratory	1,286,000
Library	500,000
Amarillo AFB, training facility	1,040,000
Webb AFB, air defense facilities	1,679,600
Davis-Monthan AFB, air defense facilities	338,100
Lackland AFB, training facility	1,067,400
Clinton County AFB, hospital	1,200,000
Grand Forks AFB, hospital	1,232,200
George AFB, hospital	1,555,400
Main site, community support facilities	370,000
Minor construction	500,000
Access roads	250,000
Surplus commodity housing support	250,000

SAC Dispersed Maintenance Facilities: The committee of conference has approved $2,650,000 for shop facilities in support of the SAC dispersed maintenance program, instead of $5,329,800 as proposed by the Senate. The conferees are in agreement that these funds shall be allocated to specific locations upon a priority to be determined by the Department of Defense with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops.

Ground-Powered Equipment Shops: The amount of $750,000 has been approved for ground-powered equipment shops instead of $2,232,900 as proposed by the Senate. The committee of conference is in agreement that these funds shall be allocated to specific locations upon a priority to be determined by the Department of Defense with the understanding that maximum utilization will be made of existing facilities and that funds will be allocated only for the construction of complete shops.

Lackland AFB, Texas: Funds in the amount of $1,067,400 have been approved for technical training facilities at Lackland Air Force Base, Texas, as proposed by the Senate. The committee of conference is in agreement that prior to the obligation of these funds, a study should be made by the Secretary of Defense as to the feasibility of combining the various cryptographic training schools of

the several services at a single location and the Committees on Appropriations of the House of Representatives and the Senate notified of the results of this study.

MACE Facilities: Since the Secretary of Defense has not yet made a determination as to the procurement and deployment of the MACE missile, no funds have been approved for the construction of facilities in support of this missile. Should a determination for such procurement and deployment be made, the Secretary of Defense is directed to use funds available and unobligated within this appropriation, including prior year funds, for the construction of necessary facilities after the Committees on Appropriations of the House of Representatives and the Senate have been notified of the type, location, and cost of these facilities and when 30 days have elapsed from the date of said notification.

MILITARY CONSTRUCTION, ARMY RESERVE

Amendment No. 6—Military Construction, Army Reserve: Appropriates $20,000,000 as proposed by the House instead of $20,160,000 as proposed by the Senate.

MILITARY CONSTRUCTION, NAVAL RESERVE

Amendment No. 7—Military Construction, Naval Reserve: Appropriates $8,980,000 instead of $8,589,000 as proposed by the House and $9,000,000 as proposed by the Senate.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Amendment No. 8—Military Construction, Air Force Reserve: Corrects appropriation title.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Amendment No. 9—Military Construction, Army National Guard: Appropriates $23,219,000 as proposed by the Senate instead of $11,000,000 as proposed by the House.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Amendment No. 10—Military Construction, Air National Guard: Appropriates $16,440,000 as proposed by the House instead of $17,000,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment Nos. 11, 12, 13, and 14: Add clarifying language as proposed by the Senate.

HARRY R. SHEPPARD,
JAMIE L. WHITTEN,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tables.

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

There was no objection.

Mr. SHEPPARD. Mr. Speaker, the total in the military construction bill as reached by the conference committee is $1.363 billion. This is approximately $200 million less than the budget estimates, $78.9 million above the House bill and $64.2 million less than the Senate bill. The increases agreed to by the conferees above the House bill are, generally speaking, for high priority projects where additional information was made available to the Senate which was not available at the time of the House hearings.

The two large increases are for construction of hospitals and Army National Guard armories. Largely as a result of the House action in deleting funds for hospital construction and language in the House report the Senate was able to make substantial reductions in hospital costs, including changes recommended by the House as to design and scope. Accordingly the conferees accepted the Senate action in this area which, although an increase of $26 million in the House bill, is a reduction of over 20 percent in the budget estimates for hospital construction.

Your conferees accepted the Senate increase of $12.2 million for Army National Guard armories. We felt that these additional funds are needed to provide long overdue training facilities for the guard units. This is in keeping with the action of the Congress on the recent Defense Department appropriation bill which increased the strength of the guard to 400,000 men. The specific projects are listed in the Senate committee report and represent only those projects for which the local governments have provided their portion of the funds required for the armory construction.

The managers on the part of the House are in complete agreement on this conference report and on the amendment to be offered. I urge its adoption without change.

Summary tabulation

CONTINENTAL UNITED STATES

Alabama:	
Army:	
Anniston Ordnance Depot	$1,700,000
Fort Rucker	2,233,000
Redstone Arsenal	5,218,200
Total	9,151,200
Alaska:	
Army:	
Fort Greely	3,322,000
Fort Richardson	315,000
Subtotal	3,637,000
Navy:	
Naval Radio Station, Buskin Lake	84,000
Naval Security Group Activity, Cape Chiniak	40,000
Subtotal	124,000
Air Force:	
Bethel Air Force Station	182,000
Campion Air Force Station	228,000
Eielson Air Force Base	780,000
Elmendorf Air Force Base	775,000
Fire Island	1,219,500
Galena	100,000
Gulkana	502,000
King Salmon Airport	1,365,000
Indian Mountain	1,893,500
Ladd	250,000
Murphy Dome	1,407,000
Northeast Cape	1,925,000
White Alice	531,000
Tropo Scatter	7,000,000
Subtotal	18,158,000
Total	21,919,000
Arizona:	
Army: Fort Huachuca	5,994,500
Navy: Marine Corps Auxiliary Air Station, Yuma	3,439,000
Air Force:	
Davis-Monthan Air Force Base, Tucson	864,100

Summary tabulation—Continued

Arizona—Continued	
Air Force—Continued	
Williams Air Force Base, Chandler	$143,000
Subtotal	1,007,100
Total	10,440,600
Arkansas:	
Air Force:	
Blytheville Air Force Base, Blytheville	902,000
Little Rock Air Force Base, Little Rock	325,000
Total	1,227,000
California:	
Army:	
Presidio of San Francisco	218,000
Fort Ord	2,186,000
Subtotal	2,404,000
Navy:	
Marine Corps Supply Center, Barstow	432,000
Marine Corps Base, Camp Pendleton	2,258,000
Naval Air Station, El Toro	48,000
Naval Air Station, Lemoore	23,428,400
Naval Shipyard, Long Beach	500,000
Naval Air Station, Miramar	305,000
Naval Air Missile Test Center, Point Mugu	25,823,000
Naval Supply Depot, San Diego	100,000
Naval Training Center, San Diego	4,343,000
Marine Corps Air Facility, Santa Ana	2,216,000
Marine Corps Base, Twentynine Palms	1,137,000
Subtotal	60,590,400
Air Force:	
Beale Air Force Base, Marysville	187,000
Castle Air Force Base, Merced	393,000
Edwards Air Force Base, Muroc	542,000
George Air Force Base, Victorville	1,555,400
Hamilton Air Force Base, San Rafael	1,131,000
Mather, Sacramento	1,491,000
McClellan Air Force Base, Sacramento	38,000
Vandenberg Air Force Base, Lompoc	147,000
Subtotal	5,484,400
Total	68,478,800
Colorado:	
Army: Fitzsimons Army Hospital	188,000
Air Force:	
Lowry Air Force Base	405,000
NORAD	10,000,000
Subtotal	10,405,000
Total	10,593,000
Connecticut:	
Navy:	
Navy Submarine Base, New London	3,129,000
Navy Medical Research Laboratory, New London	75,000
Total	3,204,000

Summary tabulation—Continued

Delaware: Air Force: Dover Air Force Base, Dover, total	$408,000
District of Columbia: Navy: Naval Research Laboratory, total	1,591,000
Florida:	
Navy:	
Naval Air Station, Mayport	1,323,000
Naval Communications Training Center, Corry Field	1,000,000
Naval Air Station, Jacksonville	700,000
Naval Air Station, Pensacola	400,000
Naval Auxiliary Air Station, Whiting Field	7,490,000
Subtotal	10,913,000
Air Force:	
Eglin Air Force Base	833,000
Cape Canaveral	279,000
Homestead Air Force Base, Homestead	4,734,000
McCoy Air Force Base, Orlando	6,949,000
MacDill Air Force Base, Tampa	240,000
Tyndall Air Force Base	3,677,000
Subtotal	16,712,000
Total	27,625,000
Georgia:	
Army:	
Fort Benning	1,242,000
Fort Stewart	235,000
Subtotal	1,477,000
Air Force:	
Robbins Air Force Base, Macon	900,000
Turner Air Force Base, Albany	984,000
Subtotal	1,884,000
Total	3,361,000
Idaho: Air Force: Mountain Home Air Force Base, Mountain Home, total	1,263,000
Illinois:	
Army: Savanna Ordnance Depot, Savanna	1,725,000
Navy: Naval Training Center, Great Lakes	3,520,000
Total	5,245,000
Indiana: Air Force: Bunker Hill Air Force Base, Peru, total	1,562,000
Kansas:	
Army:	
Fort Leavenworth	160,000
Fort Riley	597,000
Subtotal	757,000
Air Force:	
Forbes Air Force Base, Topeka	665,000
McConnell Air Force Base, Wichita	930,000
Schilling Air Force Base, Salina	3,938,000
Subtotal	5,533,000
Total	6,290,000

Summary tabulation—Continued

Kentucky:	
Army:	
Fort Campbell	$2,360,000
Fort Knox	2,191,000
Total	4,551,000
Louisiana:	
Army: Bossier Base (AFSWP)	38,000
Air Force:	
Chenault Air Force Base, Lake Charles	265,000
England Air Force Base, Alexandria	2,351,000
Subtotal	2,616,000
Total	2,654,000
Maine:	
Navy:	
Naval Radio Station, Washington County	3,179,000
Naval Radio Station, Winter Harbor	271,000
Subtotal	3,450,000
Air Force:	
Dow Air Force Base, Bangor	312,000
Loring Air Force Base, Limestone	48,000
Subtotal	360,000
Total	3,810,000
Maryland:	
Army:	
Aberdeen Proving Ground	436,000
Army Chemical Center	2,104,000
Fort Detrick	1,437,000
Fort George G. Meade	2,012,000
Fort Ritchie	43,000
Subtotal	6,033,000
Navy:	
Naval Air Station, Patuxent River	1,050,000
Naval Academy, Annapolis	1,025,000
National Naval Medical Center, Bethesda	6,788,000
David Taylor Model Basin, Carderock	318,000
Naval Propellant Plant, Indian Head	972,000
Naval Air Station, Towers Field	1,051,000
Subtotal	11,204,000
Air Force: Andrews Air Force Base, Camp Springs	16,980,000
Total	34,217,000
Massachusetts:	
Army: Fort Devens	59,000
Navy: Naval Shipyard, Boston	1,422,000
Air Force:	
L. G. Hanscom Field, Bedford	1,952,000
Otis Air Force Base, Falmouth	604,000
Subtotal	2,556,000
Total	4,037,000
Michigan:	
Air Force:	
Kimross Air Force Base, Sault Ste. Marie	1,066,000
K. I. Sawyer Municipal Airport, Marquette	893,000

Summary tabulation—Continued

Michigan—Continued	
Air Force—Continued	
Selfridge Air Force Base, Mount Clemens	$302,000
Wurtsmith Air Force Base, Oscoda	1,560,000
Total	3,761,000
Minnesota: Air Force: Duluth Municipal Airport, Duluth, total	1,144,600
Mississippi:	
Navy: Naval Auxiliary Air Station, Meridian	5,049,000
Air Force: Columbus Air Force Base, Columbus	54,000
Total	5,103,000
Missouri:	
Army:	
Fort Leonard Wood	553,000
St. Louis Support Center	261,000
Subtotal	814,000
Air Force:	
Richards-Gebaur, Kansas City	802,000
Whiteman Air Force Base, Knobnoster	150,000
Subtotal	952,000
Total	1,766,000
Montana:	
Air Force:	
Glasgow Air Force Base	2,028,000
Malmstrom Air Force Base, Great Falls	473,000
Total	2,501,000
Nebraska:	
Air Force:	
Lincoln Air Force Base, Lincoln	164,000
Offutt Air Force Base, Omaha	743,000
Total	907,000
Nevada:	
Army: Lake Mead Base (AFSWP)	130,000
Air Force: Nellis Air Force Base, Las Vegas	557,000
Total	687,000
New Hampshire:	
Army: Cold Regions Laboratory	3,225,000
Navy: Naval Shipyard, Portsmouth	3,497,000
Air Force: Pease Air Force Base, Portsmouth	450,000
Total	7,172,000
New Jersey:	
Navy:	
Naval Supply Depot, Bayonne	123,000
Naval Air Station, Lakehurst	453,000
Subtotal	576,000
Air Force: McGuire Air Force Base, Wrightstown	907,000
Total	1,483,000

Summary tabulation—Continued

New Mexico:	
Army: White Sands Missile Range	$1,513,000
Air Force:	
Walker Air Force Base, Roswell	904,000
Cannon Air Force Base, Clovis	800,000
Holloman Air Force Base, Alamagordo	909,000
Sacramento Peak	581,000
Subtotal	3,194,000
Total	4,707,000
New York:	
Army: U.S. Military Academy	10,999,000
Navy:	
Naval Shipyard, Brooklyn	365,000
Naval Medical Supply Agency, Brooklyn	113,000
Subtotal	478,000
Air Force:	
Plattsburgh Air Force Base Plattsburgh	1,029,000
Griffiss Air Force Base, Rome	590,000
Subtotal	1,619,000
Total	13,096,000
North Carolina:	
Army: Fort Bragg	1,543,000
Navy:	
Marine Corps Base, Camp Lejeune	328,000
Marine Corps Air Station, Cherry Point	330,000
Subtotal	658,000
Air Force: Seymour-Johnson Air Force Base Goldsboro	2,534,000
Total	4,735,000
North Dakota:	
Air Force:	
Grand Forks Air Force Base, Grand Forks	2,596,000
Minot Air Force Base, Minot	2,452,000
Total	5,048,000
Ohio:	
Air Force:	
Clinton County Air Force Base	2,252,000
Wright-Patterson Air Force Base, Dayton	9,227,000
Total	11,479,000
Oklahoma:	
Army: Fort Sill	6,415,000
Air Force: Clinton-Sherman Air Force Base, Clinton	369,000
Total	6,784,000
Oregon: Air Force: Kingsley Field, Klamath Falls, total	955,000
Pennsylvania:	
Army: Letterkenney Ordnance Depot	454,000
Air Force: Olmsted Air Force Base, Middletown	1,421,000
Total	1,875,000

Summary tabulation—Continued

Rhode Island:	
Navy:	
Naval Supply Depot, Newport	$1,877,000
Naval Station, Newport	7,353,000
Total	9,230,000
South Carolina:	
Navy: Marine Corps Auxiliary Air Station, Beaufort	51,000
Air Force:	
Charleston Air Force Base, Charleston	758,000
Myrtle Beach Municipal airport, Myrtle Beach	151,000
Shaw Air Force Base, Sumter	505,000
Subtotal	1,414,000
Total	1,465,000
South Dakota: Air Force: Ellsworth Air Force Base, Rapid City, total	1,145,000
Tennessee:	
Navy: Naval Air Station, Memphis	330,000
Air Force:	
Arnold Engineering Development Center, Tullahoma	5,690,000
Sewart Air Force Base, Smyrna	2,249,000
Subtotal	7,939,000
Total	8,269,000
Texas:	
Army:	
Fort Bliss	8,000,000
Fort Hood	585,000
Fort Sam Houston	1,510,500
Killeen Base (AFSWP)	25,000
Subtotal	10,120,500
Air Force:	
Amarillo Air Force Base, Amarillo	1,254,000
Bergstrom Air Force Base, Austin	170,000
Biggs Air Force Base, El Paso	259,000
Carswell Air Force Base, Ft. Worth	1,327,000
Dyess Air Force Base, Abilene	217,000
James Connally Air Force Base, Waco	216,000
Lackland Air Force Base	1,188,400
Perrin Air Force Base, Sherman	408,000
Sheppard Air Force Base, Witchita Falls	5,636,200
Webb Air Force Base, Big Springs	1,679,600
Subtotal	12,355,200
Total	22,475,700
Utah:	
Army: Dugway Proving Ground	532,000
Air Force: Hill Air Force Base, Ogden	341,000
Total	873,000
Virginia:	
Army:	
A. P. Hill Military Reservation	226,000
Fort Belvoir	1,061,000

Summary tabulation—Continued

Virginia—Continued	
Army—Continued	
Fort Lee	$670,600
Subtotal	1,957,600
Navy:	
Air Force Staff College, Norfolk	4,000,000
Naval Air Station, Norfolk	81,000
Naval Communications Station, Norfolk	1,781,000
Naval Air Station, Oceana	336,000
Subtotal	6,198,000
Air Force: Langley Air Force Base, Hampton	1,962,000
Total	10,117,600
Washington:	
Air Force:	
Fairchild Air Force Base, Spokane	158,000
Geiger Air Force Base, Spokane	190,000
Larson Air Force Base, Moses Lake	468,000
McChord Air Force Base, Tacoma	323,000
Total	1,139,000
West Virginia: Navy: Naval Radio Research Station, Sugar Grove, total	3,957,000
Wisconsin: Air Force: Richard Bong AFBM, Kansasville, total	16,000,000
Wyoming: Air Force: Warren Air Force Base, total	1,461,000
Various locations:	
Navy	2,861,000
Air Force:	
Air control and warning	91,503,000
Ballistic missile early warning system	33,456,000
Ballistic missiles	369,540,000
Strategic missiles	10,000,000
Other	255,000
Subtotal	504,754,000
Total	507,615,000
OVERSEAS	
Antigua: Air Force, total	$437,000
Azores: Air Force, total	511,000
Bermuda: Navy: Naval station, total	295,000
Ascension Island: Air Force, total	300,000
Canal Zone: Army, total	1,286,000
Canada:	
Navy: Argentia	4,133,000
Air Force: Various locations	2,118,000
Total	6,251,000
Cuba: Navy: Naval Station, Guantanamo Bay, total	760,000
Germany:	
Army: Various locations	8,322,000
Air Force: Various locations	392,000
Total	8,714,000
Greece: Air Force: Crete, total	231,000
Greenland: Air Force: Various locations, total	3,249,000
Hawaii:	
Army:	
Helenano	90,000
Fort Shafter	177,000
Schofield Barracks	1,251,000
Subtotal	1,518,000

Summary tabulation—Continued

Navy:	
Naval Supply Center, Pearl Harbor	$4,796,000
Marine Corps Air Station, Kaneohe	47,000
Naval Radio Station, Lualualei	350,000
Naval Radio Station, Wahiawa	274,000
Subtotal	5,467,000
Total	6,985,000
Iceland: Air Force, total	1,302,000
Italy: Army, total	1,054,000
Iwo Jima: Air Force, total	2,670,000
Japan:	
Navy	1,640,000
Air Force	1,476,000
Total	3,116,000
Korea:	
Army	7,000,000
Air Force	2,526,000
Total	9,526,000
Libya: Air Force, Wheelus Air Force Base, total	35,000
Mariana Islands:	
Navy:	
Naval ship repair facility, Guam	507,000
Navy Supply Depot, Guam	3,060,000
Air Force, Guam	106,000
Total	3,673,000
Marshall Islands: Air Force, Wake Island, total	2,211,000
Netherlands: Air Force, total	207,000
North Ireland: Navy: Naval Radio Facility, Londonderry, total	267,000
Okinawa:	
Army: Fort Buckner	213,500
Navy	2,038,000
Air Force: Various	751,000
Total	3,002,500
Philippines:	
Navy: Naval Air Station, Cubi Point	76,000
Air Force: Clark Air Force Base	1,714,000
Total	1,790,000
Puerto Rico:	
Navy:	
Naval Air Station, Roosevelt Roads	2,810,000
Naval Radio Station, Sebana Seca	86,000
Subtotal	2,896,000
Air Force: Ramey Air Force Base	1,251,000
Total	4,147,000
Spain:	
Navy: National Air Station, Rota	5,400,000
Air Force: Various locations	234,000
Total	5,634,000
Turkey: Navy: Various locations, total	425,000
United Kingdom: Air Force: Various locations, total	3,507,000

Summary tabulation—Continued

Various locations:	
Army:	
Forward depots	$4,000,000
ASA O/S	7,703,000
Signal O/S	4,000,000
Navy	17,573,000
Air Force:	
Aircraft control and warning	16,927,000
Comunication facilities	2,620,000
Other	4,339,000
Total	57,162,000
GENERAL SUPPORTING PROGRAMS	
Planning:	
Army	5,350,000
Navy	13,500,000
Air Force	25,000,000
Total	53,500,000
Minor construction:	
Army	5,675,000
Navy	3,475,000
Air Force	14,500,000
Total	23,650,000
Title VIII housing, offsite utilities:	
Army	5,350,000
Navy	3,750,000
Air Force	8,000,000
Total	17,100,000
Surplus commodity housing:	
Navy	250,000
Air Force	750,000
Total	1,000,000
Access roads:	
Army	1,913,000
Navy	1,625,000
Air Force	3,250,000
Total	6,788,000
Land acquisition: Air Force, total	300,000
Restoration of damaged facilities:	
Navy, total	4,000,000
Rehabilitation of substandard quarters:	
Army	300,000
Navy	300,000
Total	600,000
Surface-to-air missiles tactical facilities (inside and outside United States): Army, total	118,646,000

DEPARTMENT OF THE AIR FORCE

Mr. Speaker, $2,650,000 is included in the appropriation for aircraft and engine maintenance shops at locations to be selected on a priority basis; $750,000 is included for ground equipment shops at locations to be selected on a priority basis:

Army National Guard

ARMORY—LOCATION

Alabama:	
Ashford	$70,000
New Brockton	70,000
Alaska:	
Bethel	480,000
Fairbanks	277,000
Juneau	150,000
Ketchikan	277,000
Sitka	45,000
Arizona:	
Phoenix	65,000
Yuma	45,000

Army National Guard—Continued

Arkansas:	
Beebe	$45,000
De Witt	45,000
Hazen	45,000
Little Rock	260,000
California:	
Culver City	38,000
Fontana	105,000
Hollister	105,000
San Fernando	115,000
San Rafael (Fairfax)	115,000
Ventura	115,000
Colorado: Greely	132,000
Connecticut: New London	360,000
Georgia:	
Atlanta	132,000
Calhoun	110,000
Eatonton	90,000
Gainesville	90,000
Marietta	90,000
Quitman	90,000
Reynolds	90,000
Savannah	600,000
Hawaii: Kealakekua	145,000
Idaho:	
Jerome	57,000
Preston	57,000
Rigby	57,000
Twin Falls	90,000
Indiana:	
Tell City	188,000
Valparaiso	168,000
Iowa: Storm Lake	95,000
Kansas:	
Colby	80,000
Yates Center	93,000
Kentucky: Middleboro	130,000
Maine:	
Belfast	75,000
Brunswick	75,000
Gardiner	75,000
Millinocket	75,000
Portland	75,000
Saco	150,000
South Portland	150,000
Maryland: Baltimore (Dundalk)	215,000
Massachusetts:	
Agawam	210,000
Boston (Hyde Park)	270,000
Saugus	210,000
South Boston	360,000
Whiteman	210,000
Michigan:	
Ishpeming	280,000
Sturgis	220,000
Minnesota:	
Duluth	37,000
Minneapolis	88,000
St. Paul (west central)	565,000
Stillwater	37,000
Mississippi:	
Batesville	54,000
Durant	54,000
Iuka	54,000
Ocean Springs	54,000
Quitman	54,000
Webb	54,000
Missouri:	
Farmington	115,000
Fredericktown	135,000
Montana:	
Butte	70,000
Plentywood	63,000
Nebraska:	
Omaha	450,000
Wahoo	115,000
New Hampshire: Concord	375,000
New Jersey:	
Bound Brook	80,000
Cape May Court House	250,000
Flemington	80,000
Freehold	80,000
Hackettstown	80,000
Hammonton	175,000
Newton	80,000
Pitman	175,000
Tuckerton	80,000

Army National Guard—Continued

New Mexico:	
Belen	$57,000
Espanola	57,000
Roswell	200,000
Silver City	60,000
Socorro	57,000
New York:	
Amsterdam	55,000
Buffalo	75,000
Catskill	300,000
Olean	46,000
Oswego	52,000
Patchogue	375,000
Saranac Lake	300,000
Smithtown	300,000
Troy	47,000
North Carolina:	
Asheville	132,000
Belmont	98,000
Benson	105,000
Elizabeth City	105,000
Farmville	105,000
Greensboro	357,000
Hendersonville	120,000
Kannapolis	109,000
Lasker-Woodland	105,000
Laurinburg	105,000
Lincolnton	95,000
Mount Olive	105,000
Rockingham	98,000
Shallotte	95,000
Smithfield	105,000
Wallace	95,000
Ohio:	
Caldwell	135,000
Elyria	160,000
Greenville	165,000
Lancaster	160,000
Norwalk	140,000
Oregon: Salem	321,000
Pennsylvania: Johnstown	375,000
Puerto Rico:	
Bayamon	150,000
Juncos	38,000
Mayaguez	160,000
Ponce	150,000
San German	150,000
South Carolina:	
Batesburg	99,000
Belton	122,000
Chesterfield	99,000
Clover	99,000
Inman	99,000
Jonesville	99,000
Johnston	99,000
Lake City	99,000
Pacolet Mills	99,000
Whitmire	99,000
South Dakota: Salem	150,000
Tennessee:	
Camden	91,000
Crossville	91,000
Harriman	91,000
Kingsport	165,000
Livingston	91,000
Milan	91,000
Oak Ridge	142,000
South Pittsburg	91,000
Waverly	91,000
Texas:	
Amarillo	231,000
Cuero	93,000
Dallas No. 5	154,000
Edna	93,000
El Campo	104,000
Gainesville	111,000
Houston No. 2	264,000
Martindale (Army Air Field)	210,000
Texarkana	153,000
Vermont: Swanton	137,000
Virginia:	
Berryville	135,000
Norfolk (Blues)	441,000
Richmond	441,000
Washington: Coleville	150,000
West Virginia:	
Beckley	200,000
Clarksburg	189,000
Gassaway	189,000

Army National Guard—Continued

West Virginia—Continued	
Keyser	$157,000
Logan	189,000
Princeton	60,000
Ronceverte	54,000
Weston	189,000
Wisconsin: Tomahawk	160,000
Wyoming:	
Cody	142,000
Lovell	142,000
Alterations and expansions of armories at undetermined locations (cost $50,000 or less)	200,000
Total, 169 projects	24,229,000

Army National Guard consolidated listing, fiscal year 1960—Funding plan

NONARMORY—LOCATION

Iowa:	
Camp Dodge	$80,000
Camp Dodge	120,000
Louisiana:	
Camp Beauregard	325,000
Camp Beauregard	279,000
Maine: Augusta	190,000
Mississippi: Camp Shelby	165,000
Missouri: Jefferson City	113,000
New Hampshire: Concord	145,000
New Jersey:	
Camp Drum	308,000
Trenton	80,000
North Carolina: Camp Butner	353,000
North Dakota: Bismarck	57,000
South Carolina: Columbia	80,000
Utah: Salt Lake City	235,000
Vermont: Burlington	208,000
West Virginia: Buckhannon	206,000
Wisconsin: Hayward	52,000
Total, 17 projects	2,996,000

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

Mr. SHEPPARD. I yield to the gentleman.

Mr. GROSS. By how much, if any, did the other body up this bill?

Mr. SHEPPARD. One hundred and forty-three million dollars.

Mr. GROSS. I thank the gentleman; and on the basis of the increase in conference, I wish to record my opposition to adoption of the report.

Mr. JONAS. 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 North Carolina?

There was no objection.

Mr. JONAS. Mr. Speaker, this conference report is not an agreement based upon an arbitrary division of the dollar differences in the House and Senate bills. It is a carefully reached agreement based upon all available facts and reflects the collective judgment of the House and Senate conferees. It was arrived at after long and arduous hours of discussion extending over a period of 4 full days.

Mr. Speaker, I should like to emphasize the points made by the chairman of the House conferees, the gentleman from California [Mr. SHEPPARD], with respect to hospitals and National Guard armories. To my mind, the action taken with respect to hospitals is one of the most forward steps taken in this field in recent years. It directs the Secretary of Defense to see to it that the funds provided for hospital construction shall be expended on a strictly utilitarian basis to meet essential needs and requires the maximum utilization of existing private and governmental medical facilities.

Funds are provided in the bill agreed upon in conference to build the armories for which local and State contributions are already in hand. These new armories will provide adequate housing for one National Guard and take care of a long standing need.

The budget estimate for military construction was $1,563,200,000. The House reduced this sum by $278,197,300 and passed a bill which contained $1,285,002,700. The other body added $143,176,000 to the House bill and the Senate bill as it passed that body contained $1,428,178,700. In conference the House bill was increased by $78,958,500 and the Senate bill was reduced by $64,217,500, so we wind up with a bill containing $1,363,961,200 which is $199,238,800 below the budget.

Mr. Speaker, I believe this is a good conference report. It was agreed to unanimously by the managers on the part of the House and I urge its adoption.

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

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 20, strike out "$241,564,100" and insert "$278,773,700."

Mr. SHEPPARD. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. SHEPPARD moves that the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "$263,632,300, including $1,700,000 to be used only for the purchase of foreign currencies to construct military facilities (except housing and community facilities) for the Army Security Agency, location 12."

The motion was agreed to.

A motion to reconsider the vote by which action was taken on the motion was laid on the table.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. BARDEN. Mr. Speaker, I call up the conference report on the bill (S. 1555) 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, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1147)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1555) 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Labor-Management Reporting and Disclosure Act of 1959'.

"DECLARATION OF FINDINGS, PURPOSES, AND POLICY

"SEC. 2. (a) The Congress finds that, in the public interest, it continues to be the responsibility of the Federal Government to protect employees' rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection; that the relations between employers and labor organizations and the millions of workers they represent have a substantial impact on the commerce of the Nation; and that in order to accomplish the objective of a free flow of commerce it is essential that labor organizations, employers, and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations, particularly as they affect labor-management relations.

"(b) The Congress further finds, from recent investigations in the labor and management fields, that there have been a number of instances of breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct which require further and supplementary legislation that will afford necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations, employers, labor relations consultants, and their officers and representatives.

"(c) The Congress, therefore, further finds and declares that the enactment of this Act is necessary to eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives which distort and defeat the policies of the Labor Management Relations Act, 1947, as amended, and the Railway Labor Act, as amended, and have the tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce.

"DEFINITIONS

"SEC. 3. For the purposes of titles I, II, III, IV, V (except section 505), and VI of this Act—

"(a) 'Commerce' means trade, traffic, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

"(b) 'State' includes any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331–1343).

"(c) 'Industry affecting commerce' means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry 'affecting commerce' within the meaning of the Labor Management Relations Act, 1947, as amended, or the Railway Labor Act, as amended.

"(d) 'Person' includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers.

"(e) 'Employer' means any employer or any group or association of employers engaged in an industry affecting commerce (1) which is, with respect to employees engaged in an industry affecting commerce, an employer within the meaning of any law of the United States relating to the employment of any employees or (2) which may deal with any labor organization concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes any person acting directly or indirectly as an employer or as an agent of an employer in relation to an employee but does not include the United States or any corporation wholly owned by the Government of the United States or any State or political subdivision thereof.

"(f) 'Employee' means any individual employed by an employer, and includes any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice or because of exclusion or expulsion from a labor organization in any manner or for any reason inconsistent with the requirements of this Act.

"(g) 'Labor dispute' includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

"(h) 'Trusteeship' means any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws.

"(i) 'Labor organization' means a labor organization engaged in an industry affecting commerce and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization, other than a State or local central body.

"(j) A labor organization shall be deemed to be engaged in an industry affecting commerce if it—

"(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended; or

"(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

"(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

"(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

"(5) is a conference, general committee, joint or system board, or joint council, subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection other than a State or local central body.

"(k) 'Secret ballot' means the expression by ballot, voting machine, or otherwise, but in no event by proxy, of a choice with respect to any election or vote taken upon any matter, which is cast in such a manner that the person expressing such choice cannot be identified with the choice expressed.

"(l) 'Trust in which a labor organization is interested' means a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

"(m) 'Labor relations consultant' means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities.

"(n) 'Officer' means any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body.

"(o) 'Member' or 'member in good standing', when used in reference to a labor organization, includes any person who has fulfilled the requirements for membership in such organization, and who neither has voluntarily withdrawn from membership nor has been expelled or suspended from membership after appropriate proceedings consistent with lawful provisions of the constitution and bylaws of such organization.

"(p) 'Secretary' means the Secretary of Labor.

"(q) 'Officer, agent, shop steward, or other representative', when used with respect to a labor organization, includes elected officials and key administrative personnel, whether elected or appointed (such as business agents, heads of departments or major units, and organizers who exercise substantial independent authority), but does not include salaried nonsupervisory professional staff, stenographic, and service personnel.

"(r) 'District court of the United States' means a United States district court and a

United States court of any place subject to the jurisdiction of the United States.

"TITLE I—BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

"Bill of rights

"SEC. 101. (a)(1) EQUAL RIGHTS.—Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

"(2) FREEDOM OF SPEECH AND ASSEMBLY.—Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meetings: *Provided,* That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

"(3) DUES, INITIATION FEES, AND ASSESSMENTS.—Except in the case of a federation of national or international labor organizations, the rates of dues and initiation fees payable by members of any labor organization in effect on the date of enactment of this Act shall not be increased, and no general or special assessment shall be levied upon such members, except—

"(A) in the case of a local labor organization, (i) by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question, or (ii) by majority vote of the members in good standing voting in a membership referendum conducted by secret ballot; or

"(B) in the case of a labor organization, other than a local labor organization or a federation of national or international labor organizations, (i) by majority vote of the delegates voting at a regular convention, or at a special convention of such labor organization held upon not less than thirty days' written notice to the principal office of each local or constituent labor organization entitled to such notice, or (ii) by majority vote of the members in good standing of such labor organization voting in a membership referendum conducted by secret ballot, or (iii) by majority vote of the members of the executive board or similar governing body of such labor organization, pursuant to express authority contained in the constitution and bylaws of such labor organization: *Provided,* That such action on the part of the executive board or similar governing body shall be effective only until the next regular convention of such labor organization.

"(4) PROTECTION OF THE RIGHT TO SUE.—No labor organization shall limit the right of any member thereof to institute an action in any court, or in a proceeding before any administrative agency, irrespective of whether or not the labor organization or its officers are named as defendants or respondents in such action or proceeding, or the right of any member of a labor organization to appear as a witness in any judicial, administrative, or legislative proceeding, or to petition any legislature or to communicate with any legislator: *Provided,* That any such member may be required to exhaust reasonable hearing procedures (but not to exceed a four-month lapse of time) within such organization, before instituting legal or administrative proceedings against such organizations or any officer thereof: *And provided further,* That no interested employer or employer association shall directly or indirectly finance, encourage, or participate in, except as a party, any such action, proceeding, appearance, or petition.

"(5) SAFEGUARDS AGAINST IMPROPER DISCIPLINARY ACTION.—No member of any labor organization may be fined, suspended, expelled, or otherwise disciplined except for nonpayment of dues by such organization or by any officer thereof unless such member has been (A) served with written specific charges; (B) given a reasonable time to prepare his defense; (C) afforded a full and fair hearing.

"(b) Any provision of the constitution and bylaws of any labor organization which is inconsistent with the provisions of this section shall be of no force or effect.

"Civil enforcement

"SEC. 102. Any person whose rights secured by the provisions of this title have been infringed by any violation of this title may bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred, or where the principal office of such labor organization is located.

"Retention of existing rights

"SEC. 103. Nothing contained in this title shall limit the rights and remedies of any member of a labor organization under any State or Federal law or before any court or other tribunal, or under the constitution and bylaws of any labor organization.

"Right to copies of collective bargaining agreements

"SEC. 104. It shall be the duty of the secretary or corresponding principal officer of each labor organization, in the case of a local labor organization, to forward a copy of each collective bargaining agreement made by such labor organization with any employer to any employee who requests such a copy and whose rights as such employee are directly affected by such agreement, and in the case of a labor organization other than a local labor organization, to forward a copy of any such agreement to each constituent unit which has members directly affected by such agreement; and such officer shall maintain at the principal office of the labor organization of which he is an officer copies of any such agreement made or received by such labor organization, which copies shall be available for inspection by any member or by any employee whose rights are affected by such agreement. The provisions of section 210 shall be applicable in the enforcement of this section.

"Information as to act

"SEC. 105. Every labor organization shall inform its members concerning the provisions of this Act.

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

"Report of labor organizations

"SEC. 201. (a) Every labor organization shall adopt a constitution and bylaws and shall file a copy thereof with the Secretary, together with a report, signed by its president and secretary or corresponding principal officers, containing the following information—

"(1) the name of the labor organization, its mailing address, and any other address at which it maintains its principal office or at which it keeps the records referred to in this title;

"(2) the name and title of each of its officers;

"(3) the initiation fee or fees required from a new or transferred member and fees for work permits required by the reporting labor organization;

"(4) the regular dues or fees or other periodic payments required to remain a member of the reporting labor organization; and

"(5) detailed statements, or references to specific provisions of documents filed under this subsection which contain such statements, showing the provision made and procedures followed with respect to each of the following: (A) qualifications for or restrictions on membership, (B) levying of assessments, (C) participation in insurance or other benefit plans, (D) authorization for disbursement of funds of the labor organization, (E) audit of financial transactions of the labor organization, (F) the calling of regular and special meetings, (G) the selection of officers and stewards and of any representatives to other bodies composed of labor organizations' representatives, with a specific statement of the manner in which each officer was elected, appointed, or otherwise selected, (H) discipline or removal of officers or agents for breaches of their trust, (I) imposition of fines, suspensions, and expulsions of members, including the grounds for such action and any provision made for notice, hearing, judgment on the evidence, and appeal procedures, (J) authorization for bargaining demands, (K) ratification of contract terms, (L) authorization for strikes, and (M) issuance of work permits. Any change in the information required by this subsection shall be reported to the Secretary at the time the reporting labor organization files with the Secretary the annual financial report required by subsection (b).

"(b) Every labor organization shall file annually with the Secretary a financial report signed by its president and treasurer or corresponding principal officers containing the following information in such detail as may be necessary accurately to disclose its financial condition and operations for its preceding fiscal year—

"(1) assets and liabilities at the beginning and end of the fiscal year;

"(2) receipts of any kind and the sources thereof;

"(3) salary, allowances, and other direct or indirect disbursements (including reimbursed expenses) to each officer and also to each employee who, during such fiscal year, received more than $10,000 in the aggregate from such labor organization and any other labor organization affiliated with it or with which it is affiliated, or which is affiliated with the same national or international labor organization;

"(4) direct and indirect loans made to any officer, employee, or member, which aggregated more than $250 during the fiscal year, together with a statement of the purpose, security, if any, and arrangements for repayment;

"(5) direct and indirect loans to any business enterprise, together with a statement of the purpose, security, if any, and arrangements for repayment; and

"(6) other disbursements made by it including the purposes thereof; all in such categories as the Secretary may prescribe.

"(c) Every labor organization required to submit a report under this title shall make available the information required to be contained in such report to all of its members, and every such labor organization and its officers shall be under a duty enforceable at the suit of any member of such organization in any State court of competent jurisdiction or in the district court of the United

States for the district in which such labor organization maintains its principal office, to permit such member for just cause to examine any books, records, and accounts necessary to verify such report. The court in such action may, in its discretion, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

"(d) Subsections (f), (g), and (h) of section 9 of the National Labor Relations Act, as amended, are hereby repealed.

"(e) Clause (i) of section 8(a)(3) of the National Labor Relations Act, as amended, is amended by striking out the following: 'and has at the time the agreement was made or within the preceding twelve months received from the Board a notice of compliance with sections 9 (f), (g), (h)'.

"Report of officers and employees of labor organizations

"SEC. 202. (a) Every officer of a labor organization and every employee of a labor organization (other than an employee performing exclusively clerical or custodial services) shall file with the Secretary a signed report listing and describing for his preceding fiscal year—

"(1) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child derived directly or indirectly from, an employer whose employees such labor organization represents or is actively seeking to represent, except payments and other benefits received as a bona fide employee of such employer;

"(2) any transaction in which he or his spouse or minor child engaged, directly or indirectly, involving any stock, bond, security, or loan to or from, or other legal or equitable interest in the business of an employer whose employees such labor organization represents or is actively seeking to represent;

"(3) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor organization represents or is actively seeking to represent;

"(4) any stock, bond, security, or other interest, legal or equitable which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, a business any part of which consists of buying from, or selling or leasing directly or indirectly to, or otherwise dealing with such labor organization;

"(5) any direct or indirect business transaction or arrangement between him or his spouse or minor child and any employer whose employees his organization represents or is actively seeking to represent, except work performed and payments and benefits received as a bona fide employee of such employer and except purchases and sales of goods or services in the regular course of business at prices generally available to any employee of such employer; and

"(6) any payment of money or other thing of value (including reimbursed expenses) which he or his spouse or minor child received directly or indirectly from any employer or any person who acts as a labor relations consultant to an employer, except payments of the kinds referred to in section 302(c) of the Labor Management Relations Act, 1947, as amended.

"(b) The provisions of paragraphs (1), (2), (3), (4), and (5) of subsection (a) shall not be construed to require any such officer or employee to report his bona fide investments in securities traded, on a securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934, in shares in an investment company registered under the Investment Company Act of 1940, or in securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935, or to report any income derived therefrom.

"(c) Nothing contained in this section shall be construed to require any officer or employee of a labor organization to file a report under subsection (a) unless he or his spouse or minor child holds or has held an interest, has received income or any other benefit with monetary value or a loan, or has engaged in a transaction described therein.

"Report of employers

"SEC. 203. (a) Every employer who in any fiscal year made—

"(1) any payment or loan, direct or indirect, of money or other thing of value (including reimbursed expenses), or any promise or agreement therefor, to any labor organization or officer, agent, shop steward, or other representative of a labor organization, or employee of any labor organization, except (A) payments or loans made by any national or State bank, credit union, insurance company, savings and loan association or other credit institution and (B) payments of the kind referred to in section 302(c) of the Labor Management Relations Act, 1947, as amended;

"(2) any payment (including reimbursed expenses) to any of his employees, or any group or committee of such employees, for the purpose of causing such employee or group or committee of employees to persuade other employees to exercise or not to exercise, or as the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing unless such payments were contemporaneously or previously disclosed to such other employees;

"(3) any expenditure, during the fiscal year, where an object thereof, directly or indirectly, is to interfere with, restrain, or coerce employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing, or is to obtain information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

"(4) any agreement or arrangement with a labor relations consultant or other independent contractor or organization pursuant to which such person undertakes activities where an object thereof, directly or indirectly, is to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing, or undertakes to supply such employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding; or

"(5) any payment (including reimbursed expenses) pursuant to an agreement or arrangement described in subdivision (4);

shall file with the Secretary a report, in a form prescribed by him, signed by its president and treasurer or corresponding principal officers showing in detail the date and amount of each such payment, loan, promise, agreement, or arrangement and the name, address, and position, if any, in any firm or labor organization of the person to whom it was made and a full explanation of the circumstances of all such payments, including the terms of any agreement or understanding pursuant to which they were made.

"(b) Every person who pursuant to any agreement or arrangement with an employer undertakes activities where an object thereof is, directly or indirectly—

"(1) to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing; or

"(2) to supply an employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

shall file within 30 days after entering into such agreement or arrangement a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing the name under which such person is engaged in doing business and the address of its principal office, and a detailed statement of the terms and conditions of such agreement or arrangement. Every such person shall file annually, with respect to each fiscal year during which payments were made as a result of such an agreement or arrangement, a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing a statement (A) of its receipts of any kind from employers on account of labor relations advice or services, designating the sources thereof, and (B) of its disbursements of any kind, in connection with such services and the purposes thereof. In each such case such information shall be set forth in such categories as the Secretary may prescribe.

"(c) Nothing in this section shall be construed to require any employer or other person to file a report covering the services of such person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer with respect to wages, hours, or other terms or conditions of employment or the negotiation of an agreement or any question arising thereunder.

"(d) Nothing contained in this section shall be construed to require an employer to file a report under subsection (a) unless he has made an expenditure, payment, loan, agreement, or arrangement of the kind described therein. Nothing contained in this section shall be construed to require any other person to file a report under subsection (b) unless he was a party to an agreement or arrangement of the kind described therein.

"(e) Nothing contained in this section shall be construed to require any regular officer, supervisor, or employee of an employer to file a report in connection with services rendered to such employer nor shall any employer be required to file a report covering expenditures made to any regular officer, superviser, or employee of an employer as compensation for service as a regular officer, supervisor, or employee of such employer.

"(f) Nothing contained in this section shall be construed as an amendment to, or modification of the rights protected by, section 8(c) of the National Labor Relations Act, as amended.

"(g) The term "interfere with, restrain, or coerce" as used in this section means interference, restraint, and coercion which, if done with respect to the exercise of rights

guaranteed in section 7 of the National Labor Relations Act, as amended, would, under section 8(a) of such Act, constitute an unfair labor practice.

"Attorney-client communications exempted

"SEC. 204. Nothing contained in this Act shall be construed to require an attorney who is a member in good standing of the bar of any State, to include in any report required to be filed pursuant to the provisions of this Act any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

"Reports made public information

"SEC. 205. (a) The contents of the reports and documents filed with the Secretary pursuant to sections 201, 202, and 203 shall be public information, and the Secretary may publish any information and data which he obtains pursuant to the provisions of this title. The Secretary may use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

"(b) The Secretary shall by regulation make reasonable provision for the inspection and examination, on the request of any person, of the information and data contained in any report or other document filed with him pursuant to section 201, 202, or 203.

"(c) The Secretary shall by regulation provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Secretary pursuant to this title, upon payment of a charge based upon the cost of the service. The Secretary shall make available without payment of a charge, or require any person to furnish, to such State agency as is designated by law or by the Governor of the State in which such person has his principal place of business or headquarters, upon request of the Governor of such State, copies of any reports and documents filed by such person with the Secretary pursuant to section 201, 202, or 203, or of information and data contained therein. No person shall be required by reason of any law of any State to furnish to any officer or agency of such State any information included in a report filed by such person with the Secretary pursuant to the provisions of this title, if a copy of such report, or of the portion thereof containing such information, is furnished to such officer or agency. All moneys received in payment of such charges fixed by the Secretary pursuant to this subsection shall be deposited in the general fund of the Treasury.

"Retention of records

"SEC. 206. Every person required to file any report under this title shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Secretary may be verified, explained or clarified, and checked for accuracy and completeness, and shall include vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination for a period of not less than five years after the filing of the documents based on the information which they contain.

"Effective date

"SEC. 207. (a) Each labor organization shall file the initial report required under section 201(a) within ninety days after the date on which it first becomes subject to this Act.

"(b) Each person required to file a report under section 201(b), 202, 203(a), or the second sentence of 203(b) shall file such report within ninety days after the end of each of its fiscal years; except that where such person is subject to section 201(b), 202, 203(a), or the second sentence of 203(b), as the case may be, for only a portion of such a fiscal year (because the date of enactment of this Act occurs during such person's fiscal year or such person becomes subject to this Act during its fiscal year) such person may consider that portion as the entire fiscal year in making such report.

"Rules and regulations

"SEC. 208. The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this title and such other reasonable rules and regulations (including rules prescribing reports concerning trusts in which a labor organization is interested) as he may find necessary to prevent the circumvention or evasion of such reporting requirements. In exercising his power under this section the Secretary shall prescribe by general rule simplified reports for labor organizations or employers for whom he finds that by virtue of their size a detailed report would be unduly burdensome, but the Secretary may revoke such provision for simplified forms of any labor organization or employer if he determines, after such investigation as he deems proper and due notice and opportunity for a hearing, that the purposes of this section would be served thereby.

"Criminal provisions

"SEC. 209. (a) Any person who willfully violates this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report, or other information required under the provisions of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) Any person who willfully makes a false entry in or willfully conceals, withholds, or destroys any books, records, reports, or statements required to be kept by any provision of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(d) Each individual required to sign reports under sections 201 and 203 shall be personally responsible for the filing of such reports and for any statement contained therein which he knows to be false.

"Civil enforcement

"SEC. 210. Whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate. Any such action may be brought in the district court of the United States where the violation occurred or, at the option of the parties, in the United States District Court for the District of Columbia.

"TITLE III—TRUSTEESHIPS

"Reports

"SEC. 301. (a) Every labor organization which has or assumes trusteeship over any subordinate labor organization shall file with the Secretary within thirty days after the date of the enactment of this Act or the imposition of any such trusteeship, and semiannually thereafter, a report, signed by its president and treasurer or corresponding principal officers, as well as by the trustees of such subordinate labor organization, containing the following information: (1) the name and address of the subordinate organization; (2) the date of establishing the trusteeship; (3) a detailed statement of the reason or reasons for establishing or continuing the trusteeship; and (4) the nature and extent of participation by the membership of the subordinate organization in the selection of delegates to represent such organization in regular or special conventions or other policy-determining bodies and in the election of officers of the labor organization which has assumed trusteeship over such subordinate organization. The initial report shall also include a full and complete account of the financial condition of such subordinate organization as to the time trusteeship was assumed over it. During the continuance of a trusteeship the labor organization which has assumed trusteeship over a subordinate labor organization shall file on behalf of the subordinate labor organization, the annual financial report required by section 201(b) signed by the president and treasurer or corresponding principal officers of the labor organization which has assumed such trusteeship and the trustees of the subordinate labor organization.

"(b) The provisions of section 201(c), 205, 206, 208, and 210 shall be applicable to reports filed under this title.

"(c) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(d) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any report required under the provisions of this section or willfully makes any false entry in or willfully withholds, conceals, or destroys any documents, books, records, reports, or statements upon which such report is based, shall be fined not more than $10,000 or imprisoned for not more than one year or both.

"(e) Each individual required to sign a report under this section shall be personally responsible for the filing of such report and for any statement contained therein which he knows to be false.

"Purposes for which a trusteeship may be established

"SEC. 302. Trusteeships shall be established and administered by a labor organization over a subordinate body only in accordance with the constitution and bylaws of the organization which has assumed trusteeship over the subordinate body and for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization.

"Unlawful acts relating to labor organization under trusteeship

"SEC. 303. (a) During any period when a subordinate body of a labor organization is in trusteeship, it shall be unlawful (1) to count the vote of delegates from such body in any convention or election of officers of the labor organization unless the delegates have been chosen by secret ballot in an election in which all the members in good standing of such subordinate body were eligible to participate, or (2) to transfer to such organization any current receipts or other funds of the subordinate body except the normal per capita tax and assessments payable by subordinate bodies not in trusteeship: *Provided,* That nothing herein contained shall prevent the distribution of the assets of a labor organization in accordance with its constitution and bylaws upon the bona fide dissolution thereof.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"Enforcement

"SEC. 304. (a) Upon the written complaint of any member or subordinate body of a labor organization alleging that such organization has violated the provisions of this title (except section 301) the Secretary shall

investigate the complaint and if the Secretary finds probable cause to believe that such violation has occurred and has not been remedied he shall, without disclosing the identity of the complainant, bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate. Any member or subordinate body of a labor organization affected by any violation of this title (except section 301) may bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate.

"(b) For the purpose of actions under this section, district courts of the United States shall be deemed to have jurisdiction of a labor organization (1) in the district in which the principal office of such labor organization is located, or (2) in any district in which its duly authorized officers or agents are engaged in conducting the affairs of the trusteeship.

"(c) In any proceeding pursuant to this section a trusteeship established by a labor organization in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified after a fair hearing either before the executive board or before such other body as may be provided in accordance with its constitution or bylaws shall be presumed valid for a period of eighteen months from the date of its establishment and shall not be subject to attack during such period except upon clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under section 302. After the expiration of eighteen months the trusteeship shall be presumed invalid in any such proceeding and its discontinuance shall be decreed unless the labor organization shall show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 302. In the latter event the court may dismiss the complaint or retain jurisdiction of the cause on such conditions and for such period as it deems appropriate.

"Report to Congress

"SEC. 305. The Secretary shall submit to the Congress at the expiration of three years from the date of enactment of this Act a report upon the operation of this title.

"Complaint by Secretary

"SEC. 306. The rights and remedies provided by this title shall be in addition to any and all other rights and remedies at law or in equity: *Provided*, That upon the filing of a complaint by the Secretary the jurisdiction of the district court over such trusteeship shall be exclusive and the final judgment shall be res judicata.

"TITLE IV—ELECTIONS

"Terms of office; election procedures

"SEC. 401. (a) Every national or international labor organization, except a federation of national or international labor organizations, shall elect its officers not less often than once ever five years either by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

"(b) Every local labor organization shall elect its officers not less often than once every three years by secret ballot among the members in good standing.

"(c) Every national or international labor organization, except a federation of national or international labor organizations, and every local labor organization, and its officers, shall be under a duty, enforceable at the suit of any bona fide candidate for office in such labor organization in the district court of the United States in which such labor organization maintains its principal office, to comply with all reasonable requests of any candidate to distribute by mail or otherwise at the candidate's expense campaign literature in aid of such person's candidacy to all members in good standing of such labor organization and to refrain from discrimination in favor of or against any candidate with respect to the use of lists of members, and whenever such labor organizations or its officers authorize the distribution by mail or otherwise to members of campaign literature on behalf of any candidate or of the labor organization itself with reference to such election, similar distribution at the request of any other bona fide candidate shall be made by such labor organization and its officers, with equal treatment as to the expense of such distribution. Every bona fide candidate shall have the right, once within 30 days prior to an election of a labor organization in which he is a candidate, to inspect a list containing the names and last known addresses of all members of the labor organization who are subject to a collective bargaining agreement requiring membership therein as a condition of employment, which list shall be maintained and kept at the principal office of such labor organization by a designated official thereof. Adequate safeguards to insure a fair election shall be provided, including the right of any candidate to have an observer at the polls and at the counting of the ballots.

"(d) Officers of intermediate bodies, such as general committees, system boards, joint boards, or joint councils, shall be elected not less often than once every four years by secret ballot among the members in good standing or by labor organization officers representatives of such members who have been elected by secret ballot.

"(e) In any election required by this section which is to be held by secret ballot a reasonable opportunity shall be given for the nomination of candidates and every member in good standing shall be eligible to be a candidate and to hold office (subject to section 504 and to reasonable qualifications uniformly imposed) and shall have the right to vote for or otherwise support the candidate or candidates of his choice, without being subject to penalty, discipline, or improper interference or reprisal of any kind by such organization or any member thereof. Not less than fifteen days prior to the election notice thereof shall be mailed to each member at his last known home address. Each member in good standing shall be entitled to one vote. No member whose dues have been withheld by his employer for payment to such organization pursuant to his voluntary authorization provided for in a collective bargaining agreement shall be declared ineligible to vote or be a candidate for office in such organization by reason of alleged delay or default in the payment of dues. The votes cast by members of each local labor organization shall be counted, and the results published, separately. The election officials designated in the constitution and bylaws or the secretary, if no other official is designated, shall preserve for one year the ballots and all other records pertaining to the election. The election shall be conducted in accordance with the constitution and bylaws of such organization insofar as they are not inconsistent with the provisions of this title.

"(f) When officers are chosen by a convention of delegates elected by secret ballot, the convention shall be conducted in accordance with the constitution and bylaws of the labor organization insofar as they are not inconsistent with the provisions of this title. The officials designated in the constitution and bylaws or the secretary, if no other is designated, shall preserve for one year the credentials of the delegates and all minutes and other records of the convention pertaining to the election of officers.

"(g) No moneys received by any labor organization by way of dues, assessment, or similar levy, and no moneys of an employer shall be contributed or applied to promote the candidacy of any person in an election subject to the provisions of this title. Such moneys of a labor organization may be utilized for notices, factual statements of issues not involving candidates, and other expenses necessary for the holding of an election.

"(h) If the Secretary, upon application of any member of a local labor organization, finds after hearing in accordance with the Administrative Procedure Act that the constitution and bylaws of such labor organization do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and hearing, by the members in good standing voting in a secret ballot conducted by the officers of such labor organization in accordance with its constitution and bylaws insofar as they are not inconsistent with the provisions of this title.

"(i) The Secretary shall promulgate rules and regulations prescribing minimum standards and procedures for determining the adequacy of the removal procedures to which reference is made in subsection (h).

"Enforcement

"SEC. 402. (a) A member of a labor organization—

"(1) who has exhausted the remedies available under the constitution and bylaws of such organization and of any parent body, or

"(2) who has invoked such available remedies without obtaining a final decision within three calendar months after their invocation,

may file a complaint with the Secretary within one calendar month thereafter alleging the violation of any provision of section 401 (including violation of the constitution and bylaws of the labor organization pertaining to the election and removal of officers). The challenged election shall be presumed valid pending a final decision thereon (as hereinafter provided) and in the interim the affairs of the organization shall be conducted by the officers elected or in such other manner as its constitution and bylaws may provide.

"(b) The Secretary shall investigate such complaint and, if he finds probable cause to believe that a violation of this title has occurred and has not been remedied, he shall, within sixty days after the filing of such complaint, bring a civil action against the labor organization as an entity in the district court of the United States in which such labor organization maintains its principal office to set aside the invalid election, if any, and to direct the conduct of an election or hearing and vote upon the removal of officers under the supervision of the Secretary and in accordance with the provisions of this title and such rules and regulations as the Secretary may prescribe. The court shall have power to take such action as it deems proper to preserve the assets of the labor organization.

"(c) If, upon a preponderance of the evidence after a trial upon the merits, the court finds—

"(1) that an election has not been held within the time prescribed by section 401, or

"(2) that the violation of section 401 may have affected the outcome of an election, the court shall declare the election, if any, to be void and direct the conduct of a new election under supervision of the Secretary and, so far as lawful and practicable, in conformity with the constitution and bylaws of the labor organization. The Secretary shall promptly certify to the court the names of the persons elected, and the court shall thereupon enter a decree declaring such per-

sons to be the officers of the labor organization. If the proceeding is for the removal of officers pursuant to subsection (h) of section 401, the Secretary shall certify the results of the vote and the court shall enter a decree declaring whether such persons have been removed as officers of the labor organization.

"(d) An order directing an election, dismissing a complaint, or designating elected officers of a labor organization shall be appealable in the same manner as the final judgment in a civil action, but an order directing an election shall not be stayed pending appeal.

"Application of other laws

"SEC. 403. No labor organization shall be required by law to conduct elections of officers with greater frequency or in a different form or manner than is required by its own constitution or bylaws, except as otherwise provided by this title. Existing rights and remedies to enforce the constitution and bylaws of a labor organization with respect to elections prior to the conduct thereof shall not be affected by the provisions of this title. The remedy provided by this title for challenging an election already conducted shall be exclusive.

"Effective date

"SEC. 404. The provisions of this title shall become applicable—

"(1) ninety days after the date of enactment of this Act in the case of a labor organization whose constitution and bylaws can lawfully be modifid or amended by action of its constitutional officers or governing body, or

"(2) where such modification can only be made by a constitutional convention of the labor organization, not later than the next constitutional convention of such labor organization after the date of enactment of this Act, or one year after such date, whichever is sooner. If no such convention is held within such one-year period, the executive board or similar governing body empowered to act for such labor organization between conventions is empowered to make such interim constitutional changes as are necessary to carry out the provisions of this title.

"TITLE V—SAFEGUARDS FOR LABOR ORGANIZATIONS

"Fiduciary responsibility of officers of labor organizations

"SEC. 501. (a) The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking into account the special problems and functions of a labor organization, 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 or in behalf of 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. A general exculpatory provision in the constitution and bylaws of such a labor organization or a general exculpatory resolution of a governing body purporting to relieve any such person of liability for breach of the duties declared by this section shall be void as against public policy.

"(b) When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization. No such proceeding shall be brought except upon leave of the court obtained upon verified application and for good cause shown, which application may be made ex parte. The trial judge may allot a reasonable part of the recovery in any action under this subsection to pay the fees of counsel prosecuting the suit at the instance of the member of the labor organization and to compensate such member for any expenses necessarily paid or incurred by him in connection with the litigation."

"(c) Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the moneys, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"Bonding

"SEC. 502. (a) Every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed $5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property thereof shall be bonded for the faithful discharge of his duties. The bond of each such person shall be fixed at the beginning of the organization's fiscal year and shall be in an amount not less than 10 per centum of the funds handled by him and his predecessor or predecessors, if any, during the preceding fiscal year, but in no case more than $500,000. If the labor organization or the trust in which a labor organization is interested does not have a preceding fiscal year, the amount of the bond shall be, in the case of a local labor organization, not less than $1,000, and in the case of any other labor organization or of a trust in which a labor organization is interested, not less than $10,000. Such bonds shall be individual or schedule in form, and shall have a corporate surety company as surety thereon. Any person who is not covered by such bonds shall not be permitted to receive, handle, disburse, or otherwise exercise custody or control of the funds or other property of a labor organization or of a trust in which a labor organization is interested. No such bond shall be placed through an agent or broker or with a surety company in which any labor organization or any officer, agent, shop steward, or other representative of a labor organization has any direct or indirect interest. Such surety company shall be a corporate surety which holds a grant of authority from the Secretary of the Treasury under the Act of July 30, 1947 (6 U.S.C. 6–13), as an acceptable surety on Federal bonds.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"Making of loans; payment of fines

"SEC. 503. (a) No labor organization shall make directly or indirectly any loan or loans to any officer or employee of such organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of $2,000.

"(b) No labor organization or employer shall directly or indirectly pay the fine of any officer or employee convicted of any willful violation of this Act.

"(c) Any person who willfully violates this section shall be fined not more than $5,000 or imprisoned for not more than one year, or both.

"Prohibition against certain persons holding office

"SEC. 504. (a) No person who is or has been a member of the Communist Party or who has been convicted of, or served any part of a prison term resulting from his conviction of, robbery, bribery, extortion, embezzlement, grand larcency, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of title II or III of this Act, or conspiracy to commit any such crimes, shall serve—

"(1) as an officer, director, trustee, member of any executive board or similar governing body, business agent, manager, organizer, or other employee (other than as an employee performing exclusively clerical or custodial duties) of any labor organization, or

"(2) as a labor relations consultant to a person engaged in an industry or activity affecting commerce, or as an officer, director, agent, or employee (other than as an employee performing exclusively clerical or custodial duties) of any group or association of employers dealing with any labor organization,

during or for five years after the termination of his membership in the Communist Party, or for five years after such conviction or after the end of such imprisonment, unless prior to the end of such five-year period, in the case of a person so convicted or imprisoned, (A) his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or (B) the Board of Parole of the United States Department of Justice determines that such person's service in any capacity referred to in clause (1) or (2) would not be contrary to the purposes of this Act. Prior to making any such determination the Board shall hold an administrative hearing and shall give notice of such proceeding by certified mail to the State, county, and Federal prosecuting officials in the jurisdiction or jurisdictions in which such person was convicted. The Board's determination in any such proceeding shall be final. No labor organization or officer thereof shall knowingly permit any person to assume or hold any office or paid position in violation of this subsection.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

"(c) For the purposes of this section, any person shall be deemed to have been 'convicted' and under the disability of 'conviction' from the date of the judgment of the trial court or the date of the final sustaining of such judgment on appeal, whichever is the later event, regardless of whether such conviction occurred before or after the date of enactment of this Act.

"Amendment to section 302, Labor Management Relations Act, 1947

"SEC. 505. Subsection (a), (b), and (c) of section 302 of the Labor Management Relations Act, 1947, as amended, are amended to read as follows:

"'SEC. 302. (a) It shall be unlawful for any employer or association of employers or any person who acts as a labor relations expert, adviser, or consultant to an employer or who acts in the interest of an employer to pay, lend, or deliver, or agree to pay, lend, or deliver, any money or other thing of value—

"'(1) to any representative of any of his employees who are employed in an industry affecting commerce; or

"'(2) to any labor organization, or any officer or employee thereof, which represents, seeks to represent, or would admit to membership, any of the employees of such employer who are employed in an industry affecting commerce; or

"'(3) to any employee or group or committee of employees of such employer employed in an industry affecting commerce in excess of their normal compensation for the purpose of causing such employee or group or committee directly or indirectly to influence any other employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing; or

"'(4) to any officer or employee of a labor organization engaged in an industry affecting commerce with intent to influence him in respect to any of his actions, decisions, or duties as a representative of employees or as such officer or employee of such labor organization.

"'(b)(1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment, loan, or delivery of any money or other thing of value prohibited by subsection (a).

"'(2) It shall be unlawful for any labor organization, or for any person acting as an officer, agent, representative, or employee of such labor organization, to demand or accept from the operator of any motor vehicle (as defined in part II of the Interstate Commerce Act) employed in the transportation of property in commerce, or the employer of any such operator, any money or other thing of value payable to such organization or to an officer, agent, representative or employee thereof as a fee or charge for the unloading, or in connection with the unloading, of the cargo of such vehicle: *Provided,* That nothing in this paragraph shall be construed to make unlawful any payment by an employer to any of his employees as compensation for their services as employees.

"'(c) The provisions of this section shall not be applicable (1) in respect to any money or other thing of value payable by an employer to any of his employees whose established duties include acting openly for such employer in matters of labor relations or personnel administration or to any representative of his employees, or to any officer or employee of a labor organization, who is also an employee or former employee of such employer, as compensation for, or by reason of, his service as an employee of such employer; (2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or in compromise, adjustment, settlement, or release of any claim, complaint, grievance, or dispute in the absence of fraud or duress; (3) with respect to the sale or purchase of an article or commodity at the prevailing market price in the regular course of business; (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization: *Provided,* That the employer has received from each employee, on whose account such deductions are made, a written assignment which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner; (5) with respect to money or other thing of value paid to a trust fund established by such representative, for the sole and exclusive benefit of the employees of such employer, and their families and dependents (or of such employees, families, and dependents jointly with the employees of other employers making similar payments and their families and dependents): *Provided,* That (A) such payments are held in trust for the purpose of paying, either from principal or income or both, for the benefit of employees, their families and dependents, for medical or hospital care, pensions on retirement or death of employees, compensation for injuries or illness resulting from occupational activity or insurance to provide any of the foregoing, or unemployment benefits or life insurance, disability and sickness insurance, or accident insurance; (B) the detailed basis on which such payments are to be made is specified in a written agreement with the employer, and employees and employers are equally represented in the administration of such fund, together with such neutral persons as the representatives of the employers and the representatives of employees may agree upon and in the event the employer and employee groups deadlock on the administration of such fund and there are no neutral persons empowered to break such deadlock, such agreement provides that the two groups shall agree on an impartial umpire to decide such dispute, or in event of their failure to agree within a reasonable length of time, an impartial umpire to decide such dispute shall, on petition of either group, be appointed by the district court of the United States for the district where the trust fund has its principal office, and shall also contain provisions for an annual audit of the trust fund, a statement of the results of which shall be available for inspection by interested persons at the principal office of the trust fund and at such other places as may be designated in such written agreement; and (C) such payments as are intended to be used for the purpose of providing pensions or annuities for employees are made to a separate trust which provides that the funds held therein cannot be used for any purpose other than paying such pensions or annuities; or (6) with respect to money or other thing of value paid by any employer to a trust fund established by such representative for the purpose of pooled vacation, holiday, severance or similar benefits, or defraying costs of apprenticeship or other training programs: *Provided,* That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds.'

"TITLE VI—MISCELLANEOUS PROVISIONS

"Investigations

"SEC. 601. (a) The Secretary shall have power when he believes it necessary in order to determine whether any person has violated or is about to violate any provision of this Act (except title I or amendments made by this Act to other statutes) to make an investigation and in connection therewith he may enter such places and inspect such records and accounts and question such persons as he may deem necessary to enable him to determine the facts relative thereto. The Secretary may report to interested persons or officials concerning the facts required to be shown in any report required by this Act and concerning the reasons for failure or refusal to file such a report or any other matter which he deems to be appropriate as a result of such an investigation.

"(b) For the purpose of any investigation provided for in this Act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

"Extortionate picketing

"SEC. 602. (a) It shall be unlawful to carry on picketing on or about the premises of any employer for the purpose of, or as part of any conspiracy or in furtherance of any plan or purpose for, the personal profit or enrichment of any individual (except a bona fide increase in wages or other employee benefits by taking or obtaining any money or other thing of value from such employer against his will or with his consent.

"(b) Any person who willfully violates this section shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"Retention of rights under other Federal and State laws

SEC. 603. (a) Except as explicitly provided to the contrary, nothing in this Act shall reduce or limit the responsibilities of any labor organization or any officer, agent, shop steward, or other representative of a labor organization, or of any trust in which a labor organization is interested under any other Federal law or under the laws of any State, and, except as explicitly provided to the contrary, nothing in this Act shall take away any right or bar any remedy to which members of a labor organization are entitled under such other Federal law or law of any State.

"(b) Nothing contained in titles, I, II, III, IV, V, or VI of this Act shall be construed to supersede or impair or otherwise affect the provisions of the Railway Labor Act, as amended, or any of the obligations, rights, benefits, privileges, or immunities of any carrier, employee, organization, representative, or person subject thereto; nor shall anything contained in said titles (except section 505) of this Act be construed to confer any rights, privileges, immunities, or defenses upon employers, or to impair or otherwise affect the rights of any person under the National Labor Relations Act, as amended.

"Effect on State laws

"SEC. 604. Nothing in this Act shall be construed to impair or diminish the authority of any State to enact and enforce general criminal laws respect to robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, or assault which inflicts grievous bodily injury, or conspiracy to commit any of such crimes.

"Service of process

"SEC. 605. For the purposes of this Act, service of summons, subpena, or other legal process of a court of the United States upon an officer or agent of a labor organization in his capacity as such shall constitute service upon the labor organization.

"Administrative Procedure Act

"SEC. 606. The provisions of the Administrative Procedure Act shall be applicable to the issuance, amendment, or rescission of any rules or regulations, or any adjudication, authorized or required pursuant to the provisions of this Act.

"Other agencies and departments

"SEC. 607. In order to avoid unnecessary expense and duplication of functions among Government agencies, the Secretary may make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this Act and the functions of any such agency as he may find to be practicable and consistent with law. The Secretary may utilize the facilities or services of any department, agency, or establishment of the United States or of any State or political subdivision of a State, including the services of any of its employees, with the lawful consent of such department, agency, or establishment; and each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such information and facilities as he may request

for his assistance in the performance of his functions under this Act. The Attorney General or his representative shall receive from the Secretary for appropriate action such evidence developed in the performance of his functions under this Act as may be found to warrant consideration for criminal prosecution under the provisions of this Act or other Federal law.

"Criminal contempt

"SEC. 608. No person shall be punished for any criminal contempt allegedly committed outside the immediate presence of the court in connection with any civil action prosecuted by the Secretary or any other person in any court of the United States under the provisions of this Act unless the facts constituting such criminal contempt are established by the verdict of the jury in a proceeding in the district court of the United States, which jury shall be chosen and empaneled in the manner prescribed by the law governing trial juries in criminal prosecutions in the district courts of the United States.

"Prohibition on certain discipline by labor organization

"SEC. 609. It shall be unlawful for any labor organization, or any officer, agent, shop steward, or other representative of a labor organization, or any employee thereof to fine, suspend, expel, or otherwise discipline any of its members for exercising any right to which he is entitled under the provisions of this Act. The provisions of section 102 shall be applicable in the enforcement of this section.

"Deprivation of rights under act by violence

"SEC. 610. It shall be unlawful for any person through the use of force or violence, or threat of the use of force or violence, to restrain, coerce, or intimidate, or attempt to restrain, coerce, or intimidate any member of a labor organization for the purpose of interfering with or preventing the exercise of any right to which he is entitled under the provisions of this Act. Any person who willfully violates this section shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"Separability provisions

"SEC. 611. If any provision of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

"TITLE VII—AMENDMENTS TO THE LABOR MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

"Federal-State jurisdiction

"SEC. 701. (*a*) Section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(c)(1) The Board, in its discretion, may, by rule of decision or by published rules adopted pursuant to the Administrative Procedure Act, decline to assert jurisdiction over any labor dispute involving any class or category of employers, where, in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction: *Provided,* That the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959.

"'(2) Nothing in this Act shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands), from assuming and asserting jurisdiction over labor disputes over which the Board declines, pursuant to paragraph (1) of this subsection, to assert jurisdiction.'

"(b) Section 3(b) of such Act is amended to read as follows:

"'(b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. The Board is also authorized to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question of representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) of section 9 and certify the results thereof, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under this paragraph, but such a review shall not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.'

"Economic strikers

"SEC. 702. Section 9(c)(3) of the National Labor Relations Act, as amended, is amended by amending the second sentence thereof to read as follows: 'Employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the purposes and provisions of this Act in any election conducted within twelve months after the commencement of the strike.'

"Vacancy in office of General Counsel

"SEC. 703. Section 3(d) of the National Labor Relations Act, as amended, is amended by adding after the period at the end thereof the following: 'In case of a vacancy in the office of the General Counsel the President is authorized to designate the officer or employee who shall act as General Counsel during such vacancy, but no person or persons so designated shall so act (1) for more than forty days when the Congress is in session unless a nomination to fill such vacancy shall have been submitted to the Senate, or (2) after the adjournment sine die of the session of the Senate in which such nomination was submitted.'

"Boycotts and recognition picketing

"SEC. 704. (a) Section 8(b)(4) of the National Labor Relations Act, as amended, is amended to read as follows:

"'(4)(i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities or to perform any services; or (ii) to threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where in either case an object thereof is:

"'(A) forcing or requiring any employer or self-employed person to join any labor or employer organization or to enter into any agreement which is prohibited by section 8(e);

"'(B) forcing or requiring any person to cease using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provisions of section 9: *Provided,* That nothing contained in this clause (B) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing;

"'(C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9;

"'(D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work:

Provided, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this Act: *Provided further,* That for the purposes of this paragraph (4) only, nothing contained in such paragraph shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary dispute and are distributed by another employer, as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services, at the establishment of the employer engaged in such distribution;'.

"(b) Section 8 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) It shall be an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person, and any contract or agreement entered into heretofore or hereafter containing such an agreement shall be to such extent unenforcible and void: *Provided,* That nothing in this subsection (e) shall apply to an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work: *Provided further,* That for the purposes of this subsection (e) and section 8(b)(4)(B) the terms "any employer", "any person engaged in commerce or an industry affecting commerce", and "any person" when used in relation to the terms "any other producer, processor, or manufacturer,", "any other employer", or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry: *Provided further,* That nothing in this Act shall prohibit the enforcement of any agreement which is within the foregoing exception.'

"(c) Section 8(b) of the National Labor Relations Act, as amended, is amended by striking out the word "and" at the end of paragraph (5), striking out the period at the end of paragraph (6), and inserting in lieu thereof a semicolon and the word "and", and adding a new paragraph as follows:

"'(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"'(A) where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act,

"'(B) where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted, or

"'(C) where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of, or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services.

"'Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section 8(b).'

"(d) Section 10(l) of the National Labor Relations Act, as amended, is amended by adding after the words 'section 8(b),' the words 'or section 8(e) or section 8(b)(7),' and by striking out the period at the end of the third sentence and inserting in lieu thereof a colon and the following: '*Provided further*, That such officer or regional attorney shall not apply for any restraining order under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation, he has reasonable cause to believe that such charge is true and that a complaint should issue.'

(e) Section 303(a) of the Labor Management Relations Act, 1947, is amended to read as follows:

"'(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8(b)(4) of the National Labor Relations Act, as amended.'

"Building and construction industry

"SEC. 705. (a) Section 8 of the National Labor Relations Act, as amended by section 704(b) of this Act, as amended by adding at the end thereof the following new subsection:

"'(f) It shall not be an unfair labor practice under subsections (a) and (b) of this section for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who, upon their employment, will be engaged) in the building and construction industry with a labor organization of which building and construction employees are members (not established, maintained, or assisted by any action defined in section 8(a) of this Act as an unfair labor practice) because (1) the majority status of such labor organization has not been established under the provisions of section 9 of this Act prior to the making of such agreement, or (2) such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment or the effective date of the agreement, whichever is later, or (3) such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area: *Provided*, That nothing in this subsection shall set aside the final proviso to section 8(a)(3) of this Act: *Provided further*, That any agreement which would be invalid, but for clause (1) of this subsection, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e).'

"(b) Nothing contained in the amendment made by subsection (a) shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

"Priority in case handling

"SEC. 706. Section 10 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(m) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (l)."

"Effective date of amendments

"SEC. 707. The amendments made by this title shall take effect sixty days after the date of the enactment of this Act and no provision of this title shall be deemed to make an unfair labor practice, any act which is performed prior to such effective date which did not constitute an unfair labor practice prior thereto."

And the House agree to the same.

GRAHAM A. BARDEN,
PHIL M. LANDRUM,
FRANK THOMPSON, Jr.,
CARROLL D. KEARNS,
WILLIAM H. AYRES,
ROBERT P. GRIFFIN,
Managers on the Part of the House.

JOHN F. KENNEDY,
PAT MCNAMARA,
JENNINGS RANDOLPH,
BARRY GOLDWATER,
EVERETT M. DIRKSEN,
WINSTON L. PROUTY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment to the House to the bill (S. 1555) 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, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for minor, technical, and conforming changes.

SECTION 3—DEFINITIONS

The House amendment makes many changes in the definitions the Senate bill contains. In all major respects the compromise the conference agreed on adopts the House versions. However, in the conference substitute, the definition of "labor organization" and specification of which labor organizations that are engaged in an industry affecting commerce are changed to include "general committees." This refers to organizations of the type commonly found in the railway unions that designate general committees.

SECTION 101—BILL OF RIGHTS

This section of the Senate bill and the House amendment, for the most part, contain similar provisions. In all instances where there are differences between the Senate bill and the House amendment the conference substitute follows the House amendment.

In this section there is a matter that must be explained. In paragraph (5), relating to safeguards against improper disciplinary action, it should be noted that the prohibition on suspension without observing certain safeguards applies only to suspension of membership in the union; it does not refer to suspension of a member's status as an officer in the union.

SECTION 201—REPORT OF LABOR ORGANIZATIONS

The conference substitute is the same as the House amendment, except that it makes clear that the Secretary of Labor may prescribe the different categories financial data that labor organizations must report.

SECTION 203—REPORTS OF EMPLOYERS

The conference substitute substantially rewrites section 203 of the House amendment.

Subsection (a) of both the House amendment and the conference substitute require employers to make detailed reports to the Secretary of Labor of payments, expenditures, or agreements described below.

First, both the House amendment and the conference substitute require employers to report payments and loans to unions and union officers and employees; and they both except payments that section 302(c) of the Labor Management Relations Act, 1947, permits. The substitute also contains an exception, taken from the Senate bill, for payments and loans made by credit institutions, such as banks.

Second, the substitute requires reports of all payments by an employer to his employees, or to a group or committee of his employees, for the purpose of causing them to persuade other employees to exercise or not to exercise, or as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing. This requires reporting payments to "front organizations" that employers set up purportedly as spontaneous employee committees or groups. Payments of this type would not have to be reported if they were disclosed to such other employees when they were made or before they were made.

Third, the substitute requires reports of expenditures by an employer made to interfere with, coerce, or restrain employees in exercising their statutory rights to organize and bargain collectively, or to purchase information not otherwise available concerning activities of employees, or of a union, in connection with a labor dispute involving such employer, unless the information is for use solely in connection with an administrative or arbitral proceeding, or a civil or criminal judicial proceeding. It should be noted that an employer is not required to report expenditures to obtain information in connection with a labor dispute in which he is not involved.

Fourth, the substitute requires reports of all agreements with independent contractors, such as Nathan Shefferman, pursuant to which the independent contractor undertakes to persuade employees to exercise or not to exercise, or as to the manner of exercising, their statutory right to organize and to bargain collectively, or undertakes to supply the employer with information concerning activities of employees, or of a union, in connection with a labor dispute involving such employer, unless the information is for use solely in connection with an administrative or arbitral proceeding or a criminal or civil judicial proceeding.

Fifth, the substitute requires reports of payments under the agreements the preceding paragraph describes.

Subsection (b) of section 203 of the substitute agreed upon in conference deals with reports by labor relations consultants.

It requires reports from a consultant who enters into an agreement with an employer to engage in any of the activities that, under section 203(a)(4), must be reported by the employer.

Subsection (c) of section 203 of the conference substitute grants a broad exemption from the requirements to the section with respect to the giving of advice. This subsection is further discussed in connection with section 204.

Subsection (d) of section 203 makes it clear that reports are required only where an expenditure, payment, loan, or agreement of the kinds described has been made.

Subsection (e) of section 203 makes it clear that no regular officer, supervisor, or employee is required to file a report in connection with services rendered to his employer. Similarly, no employer is required to file a report of expenditures made to any of his regular officers, supervisors, or employees for their services as such.

Subsection (f) of section 203 makes it clear that this section does not impair the free speech that is described in section 8(c) of the National Labor Relations Act, as amended.

Subsection (g) of section 203 provides that the term "interfere with, restrain, or coerce" has the same meaning when used in this section as it has when used in the National Labor Relations Act. The House amendment contains a similar provision.

SECTION 204—ATTORNEY-CLIENT COMMUNICATIONS EXEMPTED

The Senate bill provides that an attorney need not include in any report required by the Act any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

The conference substitute adopts the provisions of the Senate bill, but in connection therewith the conferees included, in esction 203(c), a provision taken from the Senate bill that provides that an employer or other person is not required to file a report covering the services of such person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer or the negotiation of an agreement or any question arising thereunder.

SECTION 205—REPORTS MADE PUBLIC INFORMATION

The Senate bill, as a part of subsection (a) of this section, authorizes the Secretary of Labor to publish any information and data which he obtains under the title, and to use it for statistical and research purposes as he deems appropriate. It also allowed him to publish such studies, analyses, reports, and surveys based on information and data obtained under the title as he may deem appropriate. The House amendment contains no comparable provision. The conference substitute includes this provision.

SECTION 401—TERMS OF OFFICE; ELECTION PROCEDURES

Subsection (b) of section 401 of the Senate bill contains a provision making it the duty of each union and its officers to comply with reasonable requests of candidates to distribute, at the candidates' expense, campaign literature to all members of the union, and to refrain from discrimination in favor of or against any such candidate with respect to the use of lists of members. The Senate bill also requires that when a union or its officers authorize the distribution to members of campaign literature on behalf of any candidate or of the union itself, similar distribution shall be made by the union and its officers at the request of any other bona fide candidate, with equal treatment as to the expenses of the distribution. The duty so imposed could be enforced by civil action in the Federal courts.

The House amendment omits these provisions, but includes a provision giving every bona fide candidate the right to inspect and copy a list of the names and addresses of all members of the union who are subject to a union shop collective bargaining agreement, which list is to be maintained at principal office of the union.

The substitute agreed upon in conference contains both the provisions of the Senate bill and of the House amendment, except that the provisions from the House amendment are modified to deny candidates the right to copy membership lists and to restrict the right of candidates to inspect such lists to one time within 30 days of the election.

Subsection (d) of section 401 of the Senate bill requires that notice of a union election be mailed to the last known address of each member not less than 15 days before it is held. The House amendment provides that notice of a union election must be given in a manner which is reasonably calculated to inform substantially all of the members eligible to vote of the time and manner of making nominations and of the place and date of the election. Such notice would be given between the 45th and 15th day before the final day on which nominations could be made. The conference substitute accepts the Senate bill on this point.

Subsection (g) of section 401 of the proposed substitute accepts the provision of the Senate bill which permits, in union elections, union money to be used for factual statements of issues only if they do not involve candidates.

Subsection (b) of the conference substitute deals with removal of officers guilty of serious misconduct. The Senate bill provides that where the Secretary, upon application of a member of a local union, finds after a hearing that the constitution and bylaws of the local union do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and opportunity for a hearing, by the members of the union voting in a secret ballot conducted by the officers in accordance with its constitution and bylaws insofar as they are not inconsistent with this title.

The House amendment provides a procedure which is similar, except that the Federal courts rather than the Secretary of Labor would determine whether the constitution and bylaws provide an adequate procedure for the removal of elected officers guilty of serious misconduct. The House amendment applies to all unions, not just to locals.

The conference substitute adopts the provisions of the Senate bill, and also the final subsection in the Senate bill which gives the Secretary the duty to make rules prescribing minimum standards and procedures for determining the adequacy of removal procedures.

SECTION 402—ENFORCEMENT

Subsections (a) and (b) of section 402 of the Senate bill provide that if a member of a union who has exhausted the remedies available under the constitution and bylaws of the union and its parent body (or has invoked such remedies without obtaining a final decision within three months) may file a complaint with the Secretary of Labor alleging a violation of section 401 (which includes a violation of the constitution and bylaws of the union pertaining to the election and removal of officers). The Secretary will investigate each such complaint, and if he finds probable cause to believe that a violation of the title has occurred and has not been remedied, he will bring a civil action against the union in a Federal district court to set aside the invalid election, if any, and to direct the conduct of an election (or hearing and vote upon the removal of officers) under the supervision of the Secretary of Labor. During the course of a proceeding under this section a challenged election will be presumed valid and the affairs of the union will be conducted during such period by the officers elected or in such other manner as its constitution and bylaws may provide. When a civil action is filed, the court will have power to take such action as it deems proper to preserve the union's assets.

The House amendment differs from the Senate bill in that the members of the union, instead of the Secretary, can bring the civil action, and, therefore, there would be no investigation by the Secretary.

The conference substitute is the same as the Senate bill on this point.

In subsection (c) of section 402, the conference substitute adopts the provision of the Senate bill that directs the court to set aside an election if the violation "may have" affected the outcome. Under the House amendment an election could be set aside only if the violation did affect the outcome.

Subsection (d) of section 402 of the Senate bill would not permit the staying of an election during an appeal. The House amendment made this discretionary with the court. The conference substitute adopts the language of the Senate bill.

SECTION 502—BONDING

The House amendment contains a provision which requires the bonding of certain labor union officials in an amount not less than 10 per centum of the funds handled by them and their predecessors, if any, during the preceding fiscal year. The conference substitute adopts this provision of the House amendment, but, in addition, provides a maximum limitation so that no such official will be required to be bonded in an amount greater than $500,000.

SECTION 503—LOANS TO OFFICERS OF LABOR ORGANIZATIONS

The Senate bill sets $1,500 as the maximum amount by which an officer or employee could be indebted to his union. The House amendment raised this amount to $2,500. The conference substitute sets this maximum at $2,000.

The House amendment provides that the penalty for violating this section should be a fine of not more than $10,000, or imprisonment for not more than 1 year, or both. The conference substitute adopts the House amendment, except that the maximum fine is reduced to $5,000.

SECTION 504—PROHIBITION AGAINST CERTAIN PERSONS HOLDING OFFICE

The House amendment makes it a crime for a person to hold a union office for a prescribed period after he has been a Communist (or while he is a Communist), or after his conviction of certain offenses. The conference substitute is the same as the House amendment, except that it adds a provision taken from the Senate bill which also makes it a crime for a labor organization or officer thereof to knowingly permit any person to assume or hold any office in violation of the section. A provision has also been added to make it clear that the prohibitions apply regardless of whether the conviction which disqualifies occurred before or after the date of enactment of the act.

SECTION 601—INVESTIGATIONS

The Senate bill contains a provision which directs the Secretary to conduct an investigation when he believes it necessary in order to determine whether any person has, or is about to, violate the act, or any rule or regulation authorized by the act.

The House amendment directs the Secretary to make an investigation when he has probable cause to believe that any person has violated a provision of the act, other than title I.

The conference substitute is similar to the Senate bill, except that the investigation authority is permissive rather than mandatory, no investigation may be made with respect to violations of rules and regulations, and the investigation authority does not extend to title I.

The Senate bill also contains a provision authorizing the Secretary to report to interested persons concerning the facts required to be shown in reports and concerning the reasons for failure or refusal to file a report or any other matter he deems appropriate as a result of an investigation. The conference substitute adopts this provision.

SECTION 611—SEPARABILITY PROVISIONS

The Senate bill provides that if any provision of the act, or its application to any person or circumstances, is held invalid the remainder of the act or the application of such provision to other persons or circumstances, shall not be affected thereby. The House amendment merely provides that if any provision of the act is held invalid, the remainder thereof will not be affected. The conference substitute adopts the provisions of the Senate bill.

SECTION 701—FEDERAL-STATE JURISDICTION

The Senate bill provision relating to this subject amends the National Labor Relations Act, as amended, so as to provide that nothing in that act could be construed to prevent any State or Territorial agency, other than a court, from exercising jurisdiction over all cases over which the Board has jurisdiction, but by rule or otherwise has declined to assert jurisdiction provided the State or Territorial agency applies and is governed solely by Federal law as set forth in section 8(a) and 8(b) and section 9 of the National Labor Relations Act.

The House amendment contains a provision which authorizes the Board, in its discretion, by rule of decision or by published rules adopted pursuant to the Administrative Procedures Act to decline to assert jurisdiction over any labor dispute involving any class or category of employers, where in the opinion of the Board, the effect of such labor dispute on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction. The House amendment provides further that nothing in the National Labor Relations Act, as amended, shall be deemed to prevent or bar any agency or the courts of any State or Territory (including the Commonwealth of Puerto Rico, Guam, and the Virgin Islands) from assuming and asserting jurisdiction over labor disputes over which the Board, in its discretion, by rule of decision or by published rules adopted pursuant to the Administrative Procedures Act declines to assert jurisdiction.

The substitute agreed upon in conference contains the House amendment with two modifications. The first modification provides that the Board shall not decline to assert jurisdiction over any labor dispute over which it would assert jurisdiction under the standards prevailing upon August 1, 1959. The second modification would amend section 3(b) of the National Labor Relations Act, as amended, to authorize the Board to delegate to its regional directors its powers under section 9 to determine the unit appropriate for the purpose of collective bargaining, to investigate and provide for hearings, and determine whether a question concerning representation exists, and to direct an election or take a secret ballot under subsection (c) or (e) of section 9 and certify the results of such election, except that upon the filing of a request therefor with the Board by any interested person, the Board may review any action of a regional director delegated to him under section 9, but such a review by the Board would not, unless specifically ordered by the Board, operate as a stay of any action taken by the regional director.

SECTION 702—ECONOMIC STRIKERS

The Senate bill amends the second sentence of section 9(c)(3) of the National Labor Relations Act, as amended, to provide that employees on strike shall vote under such regulations as the National Labor Relations Board shall find to be consistent with the purposes and provisions of the Act.

The House amendment amends that sentence by adding a proviso that in any lawful strike in which recognition was not an issue when the strike began, no direction of election pursuant to a petition filed after the commencement of the strike by any person other than the bargaining representative shall issue prior to the termination of such strike as determined by the Board or the expiration of a six-month period from the commencement of the strike (or for a twelve-month period if the petition is filed by an employer), whichever occurs sooner. Under this provision the Board of course, could limit this right to vote even during this twelve-month period.

The substitute agreed upon in conference amends the second sentence in section 9(c)(3) to provide that "Employees engaged in an economic strike who are not entitled to reinstatement shall be eligible to vote under such regulations as the Board shall find are consistent with the purposes and provisions of the National Labor Relations Act, as amended, in any election conducted within twelve months after the commencement of the strike.

SECTION 704(a)—BOYCOTTS

The House amendment contains provisions amending the secondary boycott provisions of section 8(b)(4) of the National Labor Relations Act, as amended. The Senate bill does not contain comparable provisions. The conference committee adopted the provisions of the House amendment with the following changes: (1) the phrase "or agree to cease" was deleted from section 8(b)(4)(B) because the committee of conference concluded that the restrictions imposed by such language were included in the other provisions dealing with prohibitions against entering into "hot cargo" agreements, and therefore their retention in section 8(b)(4)(B) would constitute a duplication of language; (2) a proviso was added which specified that, for the purposes of this paragraph (4) only, nothing contained in such paragraph shall be construed to prohibit publicity, other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary labor dispute and are distributed by another employer as long as such publicity does not have an effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services at the establishment of the employer engaged in such distribution; (3) no language has been included with reference to struck work because the committee of conference did not wish to change the existing law as illustrated by such decisions as *Douds* v. *Metropolitan Federation of Architects*, 75 Fed. Supp. 672 (S.D. N.Y. 1948), and *NRLB* v. *Business Machine and Office Appliance Mechanics Board*, 228 Fed. 2d 553; (4) the amendment adopted by the committee of conference contains a provision "that nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing." The purpose of this provision is to make it clear that the changes in section 8(b)(4) do not overrule or qualify the present rules of law permitting picketing at the site of a primary labor dispute. This provision does not eliminate, restrict, or modify the limitations on picketing at the site of a primary labor dispute that are in existing law. See, for example, *NRLB* v. *Denver Building and Construction Trades Council, et al.*, 341 U.S. 675 (1951); *Brotherhood of Painters, Decorators, and Paper Hangers, etc.*, and *Pittsburgh Plate Glass Co.*, 110 NRLB 455 (1954); *Moore Drydock Co.*, 81 NLRB 1108; *Washington Coca-Cola Bottling Works, Inc.*, 107 NLRB 233 (1953).

SECTION 704(B)—HOT CARGO AGREEMENTS

The Senate bill amends section 8 of the National Labor Relations Act, as amended, by adding at the end thereof a new subsection (e) which makes it an unfair labor practice for any labor organization and any employer who is a common carrier subject to part II of the Interstate Commerce Act to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, or transporting any of the products of any other employer, or to cease doing business with the same.

The House amendment amends section 8 of the National Labor Relations Act, as amended, by adding at the end thereof a new subsection (e) to make it an unfair labor practice for any labor organization and any employer to enter into any contract or agreement, express or implied, whereby such employer ceases or refrains or agrees to cease or refrain from handling, using, selling, transporting or otherwise dealing in any of the products of any other employer, or to cease doing business with any other person. The House amendment also makes any such agreement heretofore or hereafter executed unenforceable and void.

The committee of conference adopted the House amendment but added three provisions. The first proviso specifies "that nothing in this subsection (e) shall apply to an agreement between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, or other work." It should be particularly noted that the proviso relates only and exclusively to

the contracting or subcontracting of work to be done at the site of the construction. The proviso does not exempt from section 8(e) agreements relating to supplies or other products or materials shipped or otherwise transported to and delivered on the site of the construction. The committee of conference does not intend that this proviso should be construed so as to change the present state of the law with respect to the validity of this specific type of agreement relating to work to be done at the site of the construction project or to remove the limitations which the present law imposes with respect to such agreements. Picketing to enforce such contracts would be illegal under the Sand Door case (*Local 1796, United Brotherhood of Carpenters* v. *NLRB*, 357 U.S. 93 (1958)). To the extent that such agreements are legal today under section 8(b)(4) of the National Labor Relations Act, as amended, the proviso would prevent such legality from being affected by section 8(e). The proviso applies only to section 8(e) and therefore leaves unaffected the law developed under section 8(b)(4). The Denver Building Trades case and the Moore Drydock case would remain in full force and effect. The proviso is not intended to limit, change, or modify the present state of the law with respect to picketing at the site of a construction project. Restrictions and limitations imposed upon such picketing under present law as interpreted, for example, in the United States Supreme Court decision in the Denver Building Trades case would remain in full force and effect. It is not intended that the proviso change the existing law with respect to judicial enforcement of these contracts or with respect to the legality of a strike to obtain such a contract.

The second proviso specifies that for the purposes of this subsection (e) and section 8(b)(4) the terms "any employer," "any person engaged in commerce or an industry affecting commerce," and "any person" when used in relation to the terms "any other producer, processor, or manufacturer," "any other employer," or "any other person" shall not include persons in the relation of a jobber, manufacturer, contractor, or subcontractor working on the goods or premises of a jobber or manufacturer or performing parts of an integrated process of production in the apparel and clothing industry. This proviso grants a limited exemption in three specific situations in the apparel and clothing industry, but in no other industry regardless of whether similar integrated processes of production may exist between jobbers, manufacturers, contractors, and subcontractors.

The third proviso applies solely to the apparel and clothing industry.

SECTION 704(C)—ORGANIZATIONAL AND RECOGNITION PICKETING

Both the Senate bill and the House amendment contain provisions which place certain restrictions on organizational and recognition picketing. The committee of conference adopted a substitute provision, section 704(c), which amends the National Labor Relations Act, as amended, to add a new section 8(b)(7) making it an unfair labor practice to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer where an object thereof is forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative, unless such labor organization is currently certified as the representative of such employees:

"(A) Where the employer has lawfully recognized in accordance with this Act any other labor organization and a question concerning representation may not appropriately be raised under section 9(c) of this Act.

"(B) Where within the preceding twelve months a valid election under section 9(c) of this Act has been conducted or

"(C) Where such picketing has been conducted without a petition under section 9(c) being filed within a reasonable period of time not to exceed thirty days from the commencement of such picketing: *Provided*, That when such a petition has been filed the Board shall forthwith, without regard to the provisions of section 9(c)(1) or the absence of a showing of a substantial interest on the part of the labor organization, direct an election in such unit as the Board finds to be appropriate and shall certify the results thereof: *Provided further*, That nothing in this subparagraph (C) shall be construed to prohibit any picketing or other publicity for the purpose of truthfully advising the public (including consumers) that an employer does not employ members of or have a contract with, a labor organization, unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver or transport any goods or not to perform any services."

The final sentence to the proposed new section 8(b)(7) of the Act provides that "Nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under section 8(b) of the Act." Section 8(b)(7) overrules the Curtis and Alloy cases to the extent that those decisions are inconsistent with section 8(b)(7).

SECTION 705—BUILDING AND CONSTRUCTION INDUSTRY

The Senate bill amends section 8 of the National Labor Relations Act, as amended, to add a new subsection (e) which provides that it shall not be an unfair labor practice under subsections (a) and (b) of section 8 of that Act, for an employer engaged primarily in the building and construction industry to make an agreement covering employees engaged (or who upon their employment would be engaged) in the building and construction industry with a labor organization (not established, maintained, or assisted by any action defined in section 8(a) of the National Labor Relations Act, as amended, as an unfair labor practice) of which building and construction employees are members (1) where the majority status of such labor organization has not been established under the provisions of section 9 of the National Labor Relations Act, as amended, prior to the making of such agreement, (2) because such agreement requires as a condition of employment, membership in such labor organization after the seventh day following the beginning of such employment, or the effective date of the agreement, whichever was later, or (3) because such agreement requires the employer to notify such labor organization of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment, or (4) because such agreement specifies minimum training or experience qualifications for employment or provides for priority in opportunities for employment based upon length of service with such employer, in the industry or in the particular geographical area. The Senate provision specifies, however, (1) that nothing in such provision shall set aside the final proviso to section 8(a)(3) of the National Labor Relations Act, as amended, and (2) that any agreement which would not be valid except for this amendment which permits an agreement to be entered into where the majority status of such labor organization has not been established under the provisions of section 9 of that Act prior to the making of such agreement, shall not be a bar to a petition filed pursuant to section 9(c) or 9(e) of that Act. The Senate provision also specifies that nothing therein shall be construed as authorizing the execution of or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or territorial law.

The conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. Nothing in such provision is intended to restrict the applicability of the hiring hall provisions enunciated in the *Mountain Pacific* case (119 NLRB 883, 893), or to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements.

GRAHAM A. BARDEN,
PHIL M. LANDRUM,
FRANK THOMPSON, JR.,
CARROLL D. KEARNS,
WILLIAM H. AYRES,
ROBERT P. GRIFFIN,
Managers on the Part of the House.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 161]

Andrews	Davis, Tenn.	Mitchell
Anfuso	Derwinski	Rhodes, Pa.
Baumhart	Evins	Scott
Bolton	Ford	Van Pelt
Broyhill	Hall	Wainwright
Canfield	Hébert	Westland
Carter	Holifield	Willis
Celler	McDowell	
Cooley	Martin	

The SPEAKER. On this rollcall 409 Members have answered to their names, a quorum.

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

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. BARDEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, your conferees on the part of the House have had a very, very difficult job because the bill under consideration is not only a very long bill but one that involves some new fields. I will not at this time attempt to go into a detailed discussion, because I think the report is clear, and the statement on the part of the managers certainly covers the important parts.

Mr. Speaker, the first six titles of this bill are essentially the same as the Landrum-Griffin bill which was thoroughly debated on the floor of the House and was, of course, passed by the House. We changed some language; I think in several respects we cleared up some of the language, and I honestly believe these first six titles are in just as good or better shape now than they were when they left the floor of the House. We removed some of the provisions that some Members raised objections to. I think at one

point in the debate there seemed to be some question about the law prohibiting all picketing including picketing in protest of unfair labor practices. I think that has been cleared to the satisfaction of everyone concerned.

With reference to the no man's land provision, that is worked out in a way that I think is satisfactory. It fixes a date when the jurisdictional standards set by the National Labor Relations Board shall prevail. That was, I believe, on August 1, 1959. What that does is this; the jurisdiction of the Board as of August 1 stands and those cases below that are to be handled by the States.

There is one addition and that is this. The conferees adopted a provision that there should be some consideration given to expediting the handling of some of the representation cases. Therefore, the Board is authorized, but not commanded, to delegate to the regional directors certain powers which it has under section 9 of the act.

Upon an appeal to the Board by any interested party the Board would have the authority to review and stay any action of a regional director, delegated to him under section 9. But the hearings have not been dispensed with. There is not any such thing as reinstating authority or procedure for a quicky election. Some were disturbed over that and the possibility of that is out. The right to a formal hearing before an election can be directed is preserved without limitation or qualification.

With respect to the bonding provisions, there are many sections in the bill that were perhaps touched up some but personally I was so enthusiastic over the bonding provision, I think it will be satisfactory. It makes the person himself responsible for that bond instead of its being an office bond or a position bond. It is a personal bond.

I think it is well within the knowledge of everyone that in the handling of the finances there have been many wrongs committed and there was a very high risk run by all the members who had an interest in those funds. With respect to the matter of a personal bond, I think it is clear to everyone that a bonding company is not going to write a bond for a bad risk. In that manner I think this will be of tremendous value to the unions because of the fact that when the bond is written, they will know that the man involved will be a good man to start with and will not be some criminal who has just been released from prison after having robbed a bank.

The first proviso under subsection (b) of section 704 permits the making of voluntary agreements between a labor organization and an employer in the construction industry relating to the contracting or subcontracting of work to be done directly on the site of construction.

This proviso is intended to permit what is now lawful and deals only with situations where there is a contractor-subcontractor relationship and not to situations where there is no privity of contract between two or more contractors on a particular site, such as in the case of cocontractors, each having direct contracts with the owner.

Section 705 relates to prehire agreements in the building and construction industry. During the Senate debate in 1958 on S. 3974, which contained a similar provision, a colloquy took place between Senator HOLLAND and Senator KENNEDY as to the correct interpretation of the provision as it related to such prehire contracts. I am in full accord with the statements which Senator KENNEDY made during that particular colloquy as to the proper interpretation to be placed on that provision and I believe that interpretation is equally applicable to section 705 of the bill we are considering today. The colloquy between Senator HOLLAND and Senator KENNEDY to which I have referred, is reported in the CONGRESSIONAL RECORD of June 16, 1958, volume 104, part 9, page 11308, and reads as follows:

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, my constituents are expressing concern as a result of some difficulty with the interpretation, at least, on their part, of the provisions of section 604(a).

Accordingly, we have prepared a question and an answer which have been agreed upon between the Senator from Massachusetts [Mr. KENNEDY] and myself. We hope this will clarify the matter. So I shall appreciate it if the Senator from Massachusetts will yield for a question at this time.

Mr. KENNEDY. I yield.

Mr. HOLLAND. Was it the intention of the committee that section 604(a) shall require employers to enter into prehire agreements where the union had not been the recognized or certified bargaining agent of the employees involved?

Mr. KENNEDY. I shall answer the Senator from Florida as follows—and it is my intention, by so answering, to establish the legislative history on this question: It was not the intention of the committee to require by section 604(a) the making of prehire agreements, but, rather, to permit them; nor was it the intention of the committee to authorize a labor organization to strike, picket, or otherwise coerce an employer to sign a prehire agreement where the majority status of the union had not been established. The purpose of this section is to permit voluntary prehire agreements. This is because of the inability to conduct representation elections in the construction industry.

Other Members will go somewhat into detail on various matters, and of course they will be in a position to answer questions that are asked. But let me say this. This has been the roughest assignment I have had in my many years in the House. I think we have done a good job. I think this bill is going to be approved by the American people. When I say the American people, I think it is going to be approved by the rank and file of labor and eventually by the leaders of organized labor because they have much at stake. The good name of labor was in jeopardy. I think this will do a lot to restore it and eventually I think they, too, will applaud the action of Congress in passing this bill.

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

Mr. BARDEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I simply want to take a moment to express to the gentleman from North Carolina [Mr. BARDEN], to the gentleman from Pennsylvania [Mr. KEARNS], and to every one of the conferees my appreciation and I think the appreciation of most of the Members of the House, for the splendid job, for the excellent work the conferees of the House did on this bill under the most trying circumstances. I will say to the gentleman that I think he is to be highly commended for his work, as is each and every one of the conferees.

Mr. BARDEN. I am sure the members of the Committee of Conference are, and certainly I myself am, very grateful for those kind remarks. I think I can truthfully say for everyone on the committee, we did our best. That is all anyone can do.

The SPEAKER. The gentleman from North Carolina [Mr. BARDEN] has consumed 8 minutes.

Mr. BARDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

QUESTION: WHO WRITES OUR LAWS?—ANSWER: THE PEOPLE, WHEN AROUSED

Mr. HOFFMAN of Michigan. Mr. Speaker, it is obvious to those of us who have watched the proceedings that what is said here today will not change any votes. The bill will receive an overwhelming majority.

"Who Writes Our Laws?" That was the title of a short talk made by me from the well of the House on July 27 last.

The answer was given by the House on August 14, when Congressmen, having been given an opportunity to consider the terms of the legislation adopted the night before by a majority of 28, to again go over the letters from home which were in their files, seized the opportunity—and perhaps in part because of the exposé by Peter Edson of political contributions made to Congressmen—to demonstrate their independence and the fact that, when the people were aroused, they are truly the people's lawmakers, will respond to their constituents' demand. They did just that by giving a majority of 178 for the pending legislation, instead of the majority of 28 given the day before.

Last night, the Senate likewise demonstrated its willingness to give the people, by a vote of 95 to 2, the answer to my question as to who writes our law.

When the chips are down, the people through their Representative, write the law, though sometimes many individuals must be grievously hurt before they insist their public servants conscientiously perform their duty.

Scientists have made wondrous progress. Today we hear and we see individuals on the other side of the world, but human nature remains much the same.

One of my earliest pleasures was to hear the blare of the cornet and the boom of the drum, as the parade came within sight and hearing. No time was wasted by me in joining in at the tail, and today politicians and statesmen hesitate not at all when the people who elect them, who place them in office, insist that a certain thing be done.

Yesterday, to my desk came a letter from the gentleman from Pennsylvania

[Mr. KEARNS].[1] After advising that I would be permitted to speak when the bill again came before the House, and being told over the phone that I would be given 5 minutes, the gentleman from Pennsylvania wrote:

However, I would like to advise you that no doubt Mr. AYRES, Mr. GRIFFIN, and myself who have sat in the conference, might be in a better position to go into the details of the legislation.

That, it may be assumed, was a directive that, because of my lack of knowledge of what was in the conference report, I refrain from discussing in detail the terms of the report.

It is freely conceded by me that the gentlemen named have a far greater knowledge of what they were trying to do than does your humble servant.

It may be permissible, however, to call attention to the fact that I have, on occasion, not only read the CONGRESSIONAL RECORD, the newspapers, many of the hearings of the McClellan committee and, as late as yesterday, was given a press release written by the gentleman from Arizona, Senator GOLDWATER,[2] who, as he was one of them, has at least some knowledge of the accomplishments of the conferees. It was also my privilege to hear much of last night's debate in the Senate and to read the RECORD of this morning.

While my knowledge as to what is in the report of the conferees may be somewhat vague and limited, as is suggested by my delightful colleague from Pennsylvania [Mr. KEARNS], because it was my privilege to, in April of 1937, introduce a bill which contained what might be called a bill of rights, and subsequently, to write and introduce approximately 135 so-called labor bills and to,

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[1] The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 3, 1959.

Hon. CLARE E. HOFFMAN,
House of Representatives,
Washington, D.C.

DEAR CLARE: The conferees' bill on labor-management reform legislation, known as the Kennedy-Landrum-Griffin bill, will either hit the floor of the House tomorrow or go over until Tuesday or Wednesday of next week. This decision will depend largely on whether or not the Senate wraps it up today.

As you well know, each side has 30 minutes for debate and I want to extend the privilege to each and every person on our side of the committee to have time. However, I would like to advise you that no doubt Mr. AYRES, Mr. GRIFFIN, and myself, who have sat in on the conference, might be in a better position to go into the details of the legislation.

Please let me know by telephone if you wish time and I will schedule it for you.

Always,

CARROLL D. KEARNS.

P. S.—I will make the request that all Members will have 5 days to extend their remarks.

[2] Statement of Senator BARRY GOLDWATER on Senate floor on adoption of conference report with Landrum-Griffin provisions, September 3, 1959:

"Mr. President, as one of the Senate conferees who sat for 12 days in the conference on the labor bill between the House and Senate, I am pleased we have reached agreement on a bill which, I believe, will not only merit overwhelming approval of both Houses of Congress, but most of all, will fully meet the demand that the American people have emphatically made upon us for the enactment of a strong and effective labor reform bill.

"Mr. President, the conference report before us today carries out, in substance, all of the recommendations contained in the McClellan committee interim report of March, 1958. In addition, this conference report contains provisions which strike at the heart of the racketeering, hoodlumism and gangsterism in the union movement so dramatically revealed during the 2½ years of hearings held by the McClellan committee.

"First, I would like to read to the Senate the five legislative recommendations made in the first interim report. These recommendations are:

"1. LEGISLATION TO REGULATE AND CONTROL PENSION, HEALTH, AND WELFARE FUNDS

"Last year Congress enacted a bill to require filing of reports on the management of union pension and welfare funds. This year, using the Landrum-Griffin bill's language, we require bonding of officials who handle all union funds, requiring of them high standards of fiduciary responsibility. I will explain this in connection with the next McClellan committee recommendation.

"2. LEGISLATION TO REGULATE AND CONTROL UNION FUNDS

"In four major areas, the bill which we agreed to in conference gives full force and meaning to the McClellan committee recommendation for the regulation and control of union funds, by the adoption of provisions in the Landrum-Griffin House passed bill.

"We deleted the Senate provision granting an exemption from reporting for small unions because the McClellan committee report made no distinction between large and small unions and, in fact, some of the worst abuses uncovered involved smaller unions. Thus, under the conference bill, members of small locals are given the same opportunity to know how their money is being spent as are members of large unions.

"We dropped the provision in the Senate bill which would have required only those union officers and employees receiving more than $5,000 a year from the union to report any conflict-of-interest transactions in which they may be involved. We agreed to the House provision requiring all officers and employees to report conflicts-of-interest transactions because it is our belief that the Senate provision would have created a major loophole by means of which the crooks and shady operators could have evaded the filing requirements to the detriment of the honest union members.

"While both the Senate and House bills contained a provision requiring every union officer who handles funds or property to be bonded, the Senate bill would have permitted blanket bonding with a maximum bond of $250,000. The House provision was much stricter, requiring personal bonding of not less than 10 percent of the amount handled by the union officer. An additional safeguard of the House provision prohibited the placing of the bond with a surety company in which an officer or employee of the union had any interest. The conferees originally agreed to the House provision but subsequently adopted an amendment which I offered, striking out the 10-percent minimum and making the maximum amount $500,000. There are many unions with pension and welfare funds totaling hundreds of millions of dollars. To require a bond of 10 percent of such funds would be unrealistic and burdensome.

"A further strengthening provision of the House bill which the conferees adopted dealt with the fiduciary responsibility imposed upon union officers. The McClellan committee recommendations on regulation and control of union funds specifically stated that:

" 'Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

" 'This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.'

"While the Senate bill imposed a fiduciary responsibility upon union officers, the House bill in addition gave the union member a right to bring suit in court against a union officer to recover damages growing out of a breach of fiduciary responsibility.

"3. LEGISLATION TO INSURE UNION DEMOCRACY

"While both bills effectively carried out this recommendation, the conferees adopted a very important provision contained in the House bill. It guarantees to every bona fide candidate for union office the right to inspect a list containing the names and addresses of all members of the union who are covered by a union-shop contract. Such a provision, in my opinion, is a long stride forward in equalizing the balance between candidates running for union office, now so heavily weighted on the side of incumbents.

"4. LEGISLATION TO CURB ACTIVITIES OF MIDDLEMEN IN LABOR-MANAGEMENT DISPUTES

"In this area, both the Senate and House bills, by requiring detailed reports from employers and labor relations consultants, effectively controls the Shefferman-type operation spotlighted by the McClellan committee. We borrowed language from both bills in order to achieve our desired objective.

"5. LEGISLATION TO CLARIFY THE 'NO MAN'S LAND' IN LABOR-MANAGEMENT RELATIONS

"The McClellan committee was very explicit in recommending that—

" 'The NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.'

"The Senate bill attempted to solve the 'no man's land' problem by allowing State labor relations boards (but not State courts) to take jurisdiction over cases declined by the NLRB. The State board, however, would have to apply Federal law. Only 12 States have labor boards and even those States would have to pass legislation allowing the board to apply Federal law. Obviously, this treatment of the 'no man's land' offered no solution to the problem.

"The House provision, which was agreed to by the conferees, specifically carries out the recommendation of the McClellan committee by authorizing State labor boards and courts to assume jurisdiction and apply State law in cases over which the NLRB declines to assert jurisdiction. The conferees added a provision requiring the NLRB to continue to take cases meeting its present standards.

"*Secondary boycotts, 'hot cargo' agreements, and recognition and organizational picketing*

"Some of the most shocking of the revelations of the McClellan committee involve the use of secondary boycotts and recognition and organizational picketing as a weapon of extortion, terror, and intimidation. Many small 'main street' businessmen were forced to their knees by the use of these

as chairman of a subcommittee, or ranking member of such a committee, participate in some 16 hearings, 68 days in different cities, it will be conceded, I hope, that I have some slight knowledge, not necessarily of what is in this bill, but of what should be in it.

The bill is not a tough bill in the sense that it unduly restrains the right of an individual or of a labor union. A bill which would be tough in that sense is neither needed, nor wanted, by fair-minded individuals.

Many needed restraints to curb the criminal activities of those who have found sanctuary and opportunity for extortion in labor organizations, and their misuse and abuse of special legislative privileges granted labor, can be found in either State or Federal law.

But, as always, shrewd, able lawyers have been able to find loopholes through which to slip a client. It is those unanticipated ways of escape which the Congress must continuously seek to close. That is one of the purposes of this bill.

Present evil practices by so-called labor leaders who in no sense represent the union have become intolerable primarily because of lack of enforcement of existing State and Federal legislation. However, as was made clear in the Senate debate last night, some additional legal restraints are needed if the security of the Nation is to be protected, the right of the individual maintained.

While the proposed legislation does not contain adequate restraints which will fully protect the people, it is a long, long step toward the desired goal. Just as the laws which punish robbery and murder do not end either, so this bill will not end the misuse or abuse of union power.

THERE MUST BE ENFORCEMENT

The Lindbergh law was designed to prevent kidnaping. We have stringent laws against rape. Yet, within the week, here on the streets of the Nation's Capital, two young women employees of the FBI were kidnaped and raped. Enactment of laws is not an answer—just the road toward a desired end.

Legislation does not prevent crime. Neither does it automatically bring about a desired objective or situation. There must be adequate enforcement.

We should, nevertheless, make an effort to, as completely as possible through legislation, and, of equal importance, its enforcement, continue our efforts to minimize and possibly cure the present evil practices brought to public notice by the McClellan committee and publicized by press, radio, and TV.

In the debate last night, the Senator from Arkansas, Senator McCLELLAN, among other things, said:

> If this legislation won't stop the Hoffas and the Bridges, then there is only one alternative—place the transportation unions in this country under the antitrust laws.

An amendment to do just that was offered by me in the House when the present bill was under consideration on August 13. I was given just 54 seconds to discuss it.

Two bills, H.R. 7331 and H.R. 7332, doing just what the Senator suggested, were introduced—one on May 5, the other on May 21, 1958—both reintroduced this year—but ignored by both the House committee and by the House on August 13, 1958.

When we were writing the Taft-Hartley law, at one time we had in it a provision designed to prevent nationwide, industrywide bargaining.

When the draft of the bill came up for final consideration, on the insistence of the then Republican leader, the gentleman from Indiana [Mr. HALLECK] in spite of my violent protest, that provision was stricken.

Had that provision been included in the Taft-Hartley Act, and enforced, it would have been a deterrent to Hoffa's recent boast that, if denied his demands, he, Bridges, and their associates might tie up nationwide transportation.

There would appear to be no sound reason why those provisions making antimonpoly laws applicable to unions should not now be in this bill.

The bill also fails to carry an offered provision designed to prevent strikes and work stoppages in public utilities. The need has time and again been demonstrated several times here in Washington.

Another provision, that preventing the extracting of involuntary contributions from union members for political purposes of which they do not approve, should be in the books.

Public approval of all three of these provisions was existent. The votes were available, had the leaders of the coalition been willing to accept them, as they were urged. Under the circumstances, it is impossible for me to see any other reason except that of political expediency for the refusal to accept them.

Overall, the present bill is probably as effective a bill as can now be written, and it will undoubtedly be passed by the House with an overwhelming majority. It should not, however, be assumed that it will of itself end the practices of which the people now so vigorously complain. It must be followed by enforcement which has, in connection with present legislation, been intolerably lacking in some sections of the country.

The Kennedys, the Senator from Arkansas, Senator McCLELLAN, the Senator from Arizona, Senator GOLDWATER, as well as a host of others, are to be commended for the consistency and the vigor they have shown in now translating into legislation some of the complaints and demands of our people. Equality under the law rather than political expediency should be the present political slogan.

While many are now claiming credit for the enactment of the bill now before us, honesty compels the statement that it was not until public hearings, given publicity, brought about an aroused public demand that justice be done that the Congress even undertook consideration of the present measure. Its adoption by an overwhelming vote forces the admission that the people still rule. Even the

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tactics and were either forced out of business or else succumbed to the unions' demands. In all such cases the interests and desires of the employees involved as to whether they wished to be unionized were never considered.

"The people of this country have reacted to this sordid condition and have expressed themselves in no uncertain terms in one of the greatest avalanches of mail from irate constitutents Congressmen and Senators have ever received. The demand is uniform—they want immediate relief from this exercise of coercive power.

"The House bill carried out this mandate by closing up the loopholes in secondary boycotts and by banning recognition and organizational picketing. With some clarifying provisions, the conferees adopted the House bill on secondary boycotts, 'hot cargo' agreements and recognition and organizational picketing.

"The Senate bill did not deal with the subject of secondary boycotts. The House bill, however, closed up every loophole in the boycott section of the law including the use of a secondary consumer picket line, an example of which the President gave on his nationwide TV program on August 6.

"Only 'hot cargo' agreements between a union and a common carrier were banned by the Senate bill; the House bill extended this ban to all unions and employers by making them illegal, unenforcible and void. Because of the persuasive arguments made our colleagues, Senators JAVITS, KEATING, and SCOTT, the Republican conferees were persuaded to support the addition of a provision exempting the garment industry from the prohibitions on boycotts and 'hot cargo' agreements.

"In the field of recognition and organizational picketing, the Senate bill prohibited picketing for these purposes for 9 months after an election or when another union had been certified or lawfully recognized. This was all. The Landrum-Griffin bill went further—it restricted picketing unless the union could show a 30-percent interest among the employees and then allowed it only for a reasonable period of time, not exceeding 30 days. The conferees adopted the substance of the House provisions except for the 30 percent showing of interest requirement.

"All in all, the sentiment expressed so overwhelmingly by the House in approving the Landrum-Griffin bill was again manifested by the conference which adopted the basic Landrum-Griffin bill with a few clarifications and modifications. The bill that we have agreed upon carries out President Eisenhower's urgent request for labor reform legislation.

"The bill carries out not only the recommendations of the McClellan committee, but it also reflects the provisions of Senator McCLELLAN's own bill which was used as a guide in drafting the Landrum-Griffin measure substantially adopted by the conference.

"Mr. President, at the time of passage by the Senate of the Kennedy-Ervin bill, I cast the lone negative vote. At that time I declared that the bill would mislead the public into the false belief that adequate measures had been adopted to cope with the evils they abhor.

"I contended, in voting at that time, that I did not choose to be a party to this deception. I also declared that I regarded it as my duty, not only as a Senator, but as an American citizen to enlighten the public to the facts of the matter.

"Therefore, Mr. President, I am extremely gratified with the events of the past few weeks. I applaud the work of the House, the response of the public, the encouragement of the President, and the efforts of the joint conferees in recognizing the need for adequate labor reform legislation.

"We have now succeeded in putting together a bill which is a victory for the American people and for organized labor itself when we consider that organized labor is the workingman."

master political strategists now cry "me too."

May the enforcement agencies of State and Nation follow through.

The SPEAKER pro tempore (Mr. HARRIS). The time of the gentleman from Michigan has expired.

Mr. BARDEN. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I have lived with this legislation in this session since early in March. I sat on the subcommittee through all of the hearings and participated in the executive sessions of the full committee in the writing of this bill. I wish I could take a more encouraging position but I find it impossible. When this bill, the so-called Landrum-Griffin bill, was before the House I found it impossible to support it and opposed it. I had some hope that when the bill came back from the conference of the 14 conferees that some improvements and realizations could be made in the final bill. But as this conference report comes to us here today I find little if any substance in the way of changes. There was some language in the bill that passed the House that was not quite in order. There were some interpretations to be made, to be sure; but as this report comes to us here this morning for the acceptance or rejection of the House in its final form, I repeat, there have not been the changes that I expected and hoped would be made. Therefore I want to say to the world that I just cannot accept this bill, nor can I vote for it, because to me, individually, on behalf of the movement I have been associated with for so long, it is an antiunion bill, call it what you will.

We started out on a theme song in March and that was: "Get Hoffa. Perfect the laws to cure some of the evils and some of the abuses of trust that were involved in his high office. But it was not long before we found the program as enunciated over a year ago by the National Chamber of Commerce, the National Manufacturers Association, the American Farm Bureau Association, the American Retail Trade Association, all of them following the same trend and the same line of legislative objectives. All of those objectives except two—they were uniformly presented around the Nation—all of those objectives except two, if I remember correctly, are now a part of this bill.

I have been associated with an international union, as I have said before on this floor, since 1914; that is 45 years. My international union is made up of little local unions all over the United States, and in one of the jurisdictions of my international is the motion picture operators, small locals all over the United States, with the exception, of course, of the big urban centers. Those are the unions that are going to be deeply affected by the procedures and the severe restrictions that they are limited to under this bill.

This is a curbing bill; this is a bill taking away the most effective economic weapons the worker has in his trials and tribulations of trying to get his fair share of the production created in the plant in which he works. Let me say to you there are on the floor here a lot of people pondering what they are going to do when the roll is called—if there is going to be a rollcall, and I hope there will. I know that many of you hope to be able to perpetuate yourself here. I did not come here to perpetuate myself in office. I came here to live and let live.

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

Mr. BARDEN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. Speaker, may I say to those who are in doubt as to where you stand, I will use myself as an example. I have a lot of antiunion employers in the city in which I live. They have not all become angels yet. And may I say to you that the record was made here for me and those of you who voted pro and con. In my next election those in industry and my Republican opponent which I am bound to have, will point to the vote of August 12, Wednesday, August 12. That was the vote of 201 to 229. That is the vote, not the vote on final passage, not the vote on this formality of passing a conference report. It will be on the vote that you have already cast.

Mr. HOLLAND. 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 Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, I believe that the Members of this House should certainly consider the full meaning of the conference report which we are going to vote on today. I would like to go behind the real purpose and intent of the Landrum-Griffin bill on the economy of the Nation.

Some of the questions you must answer and I hope that you will consider them before casting your vote.

Should our income be cut to meet Southern States demands for cheap labor? Shall we permit southern Democrats and northern Republicans to destroy our unions? Here are some comparisons:

Per capita income for 10 southern right-to-work States for 1954

Alabama	$1,359
Arkansas	1,228
Florida	1,876
Georgia	1,487
Mississippi	1,053
North Carolina	1,384
South Carolina	1,218
Tennessee	1,439
Texas	1,814
Virginia	1,674

Percentage of draftees disqualified by mental tests and physical tests for 1957 in our 10 southern right-to-work States

Alabama	42.6
Arkansas	32.1
Florida	31.3
Georgia	37.0
Mississippi	49.9
North Carolina	32.4
South Carolina	49.8
Tennessee	28.9
Texas	23.1
Virginia	31.9

Would you, as a resident of the Northern States like to have your per capita income lowered to the above standard or your educational facilities lowered to the extent that such a percentage would be turned down for the draft because of illiteracy?

In my own State of Pennsylvania the per capita income for 1958 was $2,127 and the percentage turned down for the draft was 9.5.

There was plenty of nationwide publicity given to this so-called "labor reform" bill. The press was full of it. The newscasts—sponsored by big industry—covered it continually. The television gave the President free time to endorse and request its passage. But only one side of the story was heard.

In a recent column by Drew Pearson the explanation for the President's endorsement was revealed. He stated that "personal friends of the President—who are members of industry active in the U.S. Chamber of Commerce, the National Association of Manufacturers, and national right-to-work organizations—have convinced him that he should stay out of the present steel strike controversy so the steel companies can give the union a defeat it will not soon forget." Pearson further pointed out these individuals contributed $214,250 to Mr. Eisenhower's 1956 campaign for reelection, and he lists as follows:

> National Steel, with Mr. George M. Humphrey, contributing $37,200. Republic Steel, with Mesrs. James Black and George Allen contributing $16,300. United States Steel, with the executives of that company contributing $26,800. Armco Steel, with Mr. and Mrs. Charles Payson, Mr. Kenneth Spencer, and other officers, contributing $96,450. Bethlehem Steel, with its executives, contributing $8,750. Inland Steel, with Mr. and Mrs. E. L. Ryerson, contributing $3,150. Jones & Laughlin, with its executives, contributing $25,800.

This all ties in together when you stop to think that should this bill be enacted into law the public will wake up and discover it is not labor reforming, but, rather, labor deforming, for the following points are included in it:

First. The right to organize would be denied the southern workers, and would naturally react upon those in the North.

Second. Improvements of inadequate unemployment insurance, workmen's compensation laws, and other fringe benefits in Southern States would be blocked, thus undermining the standards long established for working men and women in our own State of Pennsylvania and other Northern States.

Third. It would deny freedom of speech to union members in efforts to appeal to the public for assistance in winning fair labor standards, and this raises a question of constitutionality.

Fourth. It would weaken, if not destroy, voluntary machinery for settling jurisdictional disputes, successfully supported for over a decade by both employers and unions.

Fifth. It would turn over to States the so-called no man's land problem, undermining a national labor policy and imposing complex labor problems on States which have no established machinery—only four States have—for handling them.

Sixth. It fails to correct inequitable provisions of the Labor Act which prohibits economic strikers to vote in Labor Board representation elections, a provision which has been called union busting by our esteemed President who endorsed this bill apparently without reading it.

Let me assure you that I was—and still am—in favor of the original purpose of the so-called labor reform legislation that was to eliminate crooks and racketeers in both labor and management.

The Shelley bill—for which I was a cosponsor—did this, and I voted for it. The Landrum-Griffin bill does not do this, and I voted against it. The Landrum-Griffin bill penalizes the very people it is alleged to protect—the rank-and-file members of labor unions.

The Landrum-Griffin bill was passed by a coalition of southern Democrats and northern Republicans. The reason is not too difficult to find when you look at the economic picture.

One of the sponsors comes from Georgia. His State is one of the 19 States which have so-called right-to-work laws. Alabama, Arkansas, Florida, Mississippi, Tennessee, Texas, and Virginia also have these right-to-work laws; and the Congressmen from these States almost unanimously supported the Landrum-Griffin bill.

In Georgia, laws prohibit mass picketing. In Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas there is no compulsory law for workmen's compensation. Alabama, Florida, Georgia, Mississippi, North and South Carolina, Tennessee, and Texas have no minimum wage law. Arkansas, the home of the great defender of the laboring man, has a minimum wage law; it is 16 cents per hour.

The South has been luring industries from the North by bragging of their tax advantages and vacant plants and their supply of cheap labor. They want to keep it that way and prevent organized labor from going into the South and raising the living standards, the wages, providing more education for the masses, and improving the general welfare of the citizens of those States. That is their idea of labor reform.

A mayor of a city in Mississippi wrote to a northern manufacturer as follows:

> No one will tell you whom you must employ. All detrimental State laws for industrial operations have been repealed. The closed union shop in Mississippi has been outlawed. Industrial wages are from 50 cents to 95 cents an hour below Northern States.

This conference report will guarantee the continuation of cheap labor and unbelievably poor working conditions for the workers. The northern Republican Congressmen—who voted for this bill—apparently want to see those same conditions and wages exist in our State and all Northern States also.

I am forced to vote against the conference report, as the changes still do not make it a good bill.

The American labor movement has been continuously under investigation for the past 5 years and, while isolated cases representing a very small segment of the labor movement, have been found guilty of wrongdoing, it must be realized this corruption did not and could not exist in a vacuum. It is a part of a pattern that is deeply rooted in the ethical deterioration of business and industry in our country today.

This deeper corruption of our business society is well known, but as yet it has not been investigated nor any attempt made to correct it. It would seem that legislation should be drawn to correct the $5 billion which—according to Life magazine—normally changes hands among businessmen and industrialists in the form of kickbacks, payoffs, and bribes every year.

Today class legislation against the labor segment of our Government is being considered and possibly enacted; tomorrow another Congress can just as easily legislate against business and industry, the other segment of our Government, with a different type of class legislation.

This is not a threat. It is common sense. If the pendulum swings too far one way it is bound to swing just as far the other way.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, I rise to second the tribute of our minority whip, to the conferees and to the committee, especially to the sponsors, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN] but more especially than all to the chairman of a great committee, a great chairman.

The gentleman from North Carolina [Mr. BARDEN] sat through all of these meetings and all these sessions. I was a member of the subcommittee and I was present at practically all of the sessions.

I want to tell the House, Mr. Speaker, this statesmanship on the part of the gentleman from North Carolina was superb.

I rise to pay tribute also to our minority leader on the committee, the gentleman from Pennsylvania [Mr. KEARNS]. A large part of the harmony that ensued in our committee, and it was a bipartisan proposition right straight through, was due to the magnificent leadership of the gentleman from Pennsylvania [Mr. KEARNS].

Mr. Speaker, this is the House bill 98 percent. This is the bill that the House passed with a thumping and decisive majority of 229 on the first vote and 303 on the final vote. It is essentially a bipartisan bill.

Mr. Speaker, I recommend this House bill. As mild as it is, it is a good step in the right direction. It will help drive out, or at least reform, some of the crooks and racketeers. It will give power to union members that will enable them to clean out some of the dictator bosses. It is the very best we could do, and it is a good start. But we should act today with full knowledge that passage of the Landrum-Griffin bill will not solve every problem. The heart of the problem, the very heart, is the sheer power in the hands of labor union leaders due to their above-the-law status with respect to our antimonopoly laws.

This peculiar exemption to basic law plus certain Supreme Court decisions, are back of State and local law enforcement agencies' failure to protect our citizens from abuse by labor racketeers. Every State has laws against extortion, conspiracy, robbery, blackmail, assault, and so forth. But organized labor, in effect, has many times been treated as though immune to these laws.

Some sheriffs no doubt, ignore union misdeeds for political reasons. But mainly, officers have been told not to "take sides" in labor disputes because of the confusion and frustration surrounding previous attempts to hold them responsible for their crimes. And the confusion and frustration is based on their special relationship to the law.

We should now direct our attention to this problem. In my judgment, it should be the first order of business at the next session. In the meantime, the Landrum-Griffin bill, distinctly a workers' bill, will be a lasting tribute to the 86th Congress because it is for the rank and file union members and the public. It deserves a unanimous vote. I hope it will get it.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, at the outset I should like to join in the congratulations to all the conferees on this report. As an editorial in today's New York Times puts it, the conference committee has done a conspicuous service to the public and to honest democratic unionism in sweating out a labor reform bill. Sweating it out is what the conference committee has been through. Theirs was a difficult and delicate task. They have done what I am sure we all recognize is a remarkable job. Legislation in this field is not easy to develop. Still more difficult is the reconciliation of widely differing views which has been achieved. This is an accomplishment of the first magnitude.

The House conferees especially, in my opinion, are to be commended for their steadfastness in sticking to the basic principles of the Landrum-Griffin bill. This conference report represents essentially what the House passed. There may be some Members who regret that more major changes were not made in the bill as passed by the House, but, in my opinion, that is one of the basic reasons why we should be thankful that we have before us this conference report today.

As a member of the Education and Labor Committee, I should like to say also, now that the miracle has occurred, that I would never have been presumptuous enough last January to predict that we would be enacting such constructive and substantial legislation. No one expects perfection in a law of this kind, and as it is now before us it represents a compromise of varying views as to what needs to be done. Nonetheless, it is a landmark, representing unquestionably the major legislative achievement of this session. I am convinced, as we gain experience under this new law, that all segments of our population will benefit. Despite the hostile

criticism from some quarters it is my conviction that our great organized labor movement will also benefit.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. QUIE. 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 Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, the enactment of an effective labor-management reform bill will be remembered as a great achievement of the 1st session of the 86th Congress. For that reason, I do not want this occasion to pass without extending a personal word of praise, and a heartfelt thank you, to the members of the Conference Committee who worked long and hard to ultimately produce this sound bill.

I never believed that the differences between the House-passed bill and the legislation approved by the other body were insurmountable—but I realized that nevertheless they were substantial. And along with many other Americans, I knew that the emergence of a sound bill depended on the good faith and capacities of the men chosen to settle these differences.

For 12 days as these men worked together, the people of our country waited for word on the labor bill. Now it can be said that the people are the beneficiaries of the work of the conference. And so I say to the men on both sides of the aisle and in both legislative chambers: Well done. I believe our country has cause to be grateful to you for the hours you devoted and the work you accomplished.

The results of the conference are plain to see. Ninety-five percent of the measure authored by my distinguished colleagues, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN], was retained, as well it might, because the House bill provided a sound approach to labor-management reform.

In addition, the bill as agreed to in conference clarifies questions which have arisen as it affects the building and trades unions—protecting their rights in the event of farmed-out work and permitting prehire agreements requiring union membership after 7 days' employment.

Those who stand to gain most from the bill are working men and women themselves. For the bill outlines their equal rights, as union members, to the conduct of their union affairs. It guarantees freedom of speech and assembly. It specifies their protection against arbitrary increase of dues. It stresses their right to take court action to protect their rights. It safeguards their right against improper disciplinary action.

Free union elections—freely conducted—are guaranteed by this bill as is protection of union funds. Machinery is now at hand to enable union members to remove dishonest officials. Protection of economic strikers has been granted and regulation of trusteeships has been specified.

In addition, certainly title VII of the bill provides the best solution to the "no man's land" troubles which have been plaguing the labor movement—granting union members and employers a court remedy to enforce rights under the law and the opportunity to gain recourse through a State court or agency when the NLRB refuses to take jurisdiction.

Certainly the bill can be praised for its provisions which close all the secondary boycott loopholes. It deals effectively with blackmail picketing but does not prevent justifiable organizational picketing or protest picketing.

Because this bill accomplishes much for the labor movement, rank-and-file union members, and the cause of sound labor-management relations, I feel that it should be described to the Nation as just the bill it is: a labor-management relations bill which is in line with the free processes of our Republic, a bill of which all the people can be proud.

Mr. BARDEN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to join in the tributes being paid here today by commending the chairman of the committee, the gentleman from North Carolina [Mr. BARDEN], by saying that he has shown great patience, understanding, and endurance. We have not agreed on details, but this is part of the legislative process and, indeed, the way in which our system has always worked.

Particular tribute is due the junior Senator from Massachusetts, JOHN F. KENNEDY, who was chairman of the joint conference. I have long admired Senator KENNEDY, and have realized what great talents he possesses. The high regard which I have for him was more than fully justified by his magnificent performance under the most difficult and exacting conditions of the conference. My estimation of his performance is, I am sure, shared by each and every member of the conference, for all expressed similar sentiments when our work was finished. The junior Senator from Massachusetts has proven beyond all doubt that he is a legislator of the highest quality. I am grateful to him for his leadership and courage, and I am sure that the American people are equally grateful to this truly great statesman.

Mr. Speaker, I rise in support of the conference report and urge its adoption. In all candor, I cannot say that I am completely satisfied with the legislation but I realize that none of us can ever hope to have 100 percent of his legislative desires satisfied on such a complicated and controversial a subject as is before us.

The Kennedy-Ervin bill passed the other body by a vote of 90 to 1 and came to the House committee where it was amended 102 times before assuming its final form as the Elliott bill. Much was made of the number of amendments—some said it was weakened, others said it was strengthened. I say it was vastly improved.

This body worked its will in rejecting the Elliott bill in favor of what has been called the Landrum-Griffin bill. Those of us who supported the Elliott bill are flattered by the fact that our colleagues, the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN], adopted 80 of the 102 amendments without change and 8 others with small change. In other words, Mr. Speaker, the bill which went to conference was not less than 80 percent the Elliott bill. The 20 percent which was the Elliott bill which did not become a part of Landrum-Griffin was the part to which the minority leader, the gentleman from Indiana [Mr. HALLECK], referred to as the "killer."

The joint conferees adopted not less than 75 amendments to the House-passed bill. These amendments represent a return to the original committee, or Elliott, bill. The facts are, therefore, that the conference report on which we are about to vote represents a great improvement over the House-passed measure. We have before us what is really 95 percent Elliott bill—a complete vindication of the position taken by those of us who rejected the Landrum-Griffin bill in favor of the more sane, reasonable committee bill.

Following are 15 of the most important improvements made by the conferees to the Landrum-Griffin bill:

MAJOR CHANGES MADE IN GRIFFIN-LANDRUM BILL BY CONFERENCE COMMITTEE

The following changes safeguarding the rights of workingmen were made upon the insistence of the conferees:

1. Subcontracting: The legality of restricting subcontracting in the garment industry in order to keep out sweatshops was established.

2. Consumer appeals: The right to publicize nonunion goods to consumers, without causing a secondary work stoppage, is recognized in the conference agreement. Employees will also be entitled to publicize, without picketing, the fact that a wholesaler or retailer sells goods of a company involved in a labor dispute. All appeals for a consumer boycott would have been barred by House bill.

3. Organizational picketing: The conference report preserves the right to engage in organizational picketing provided that a petition for an election is filed within a reasonable time not to exceed 30 days. Unless the union won the election, the picketing would have to cease. The House bill would have virtually banned organizational picketing.

4. Organizational picketing: The right to engage in purely informational picketing without filing a petition for an election is secured provided that the picketing does not halt the pickup or delivery of goods or the rendition of services by the employees of other employers.

5. Primary strikes: The conference report recognizes the right to engage in primary strikes and primary picketing, thereby eliminating the danger that the House bill would sometimes invalidate such picketing.

6. Defense to picketing: Although the conference agreement contains a prohibition upon picketing an employer who has a contract with another union, language was added to the House bill which would make it a defense to show that the General Counsel had issued a complaint charging the employer with unlawfully dominating, maintaining, or assisting the other union.

7. Union liability for damage suits: The section imposing liability on labor unions for damages in the case of unlawful organizational picketing was eliminated.

8. Federal-State jurisdiction ("no man's land"): The conference report permits the States to take jurisdiction over labor cases over which the Board currently refuses to assume jurisdiction. Under the House bill the NLRB could have refused jurisdiction over additional cases. The Board's present jurisdictional standards are broader than they have ever been, thus insuring more unions and employers protection of the act.

9. Economic strikers: The House bill contained no provision permitting economic strikers to vote in representation elections. The conference provision permits strikers to vote in representation elections within 1 year after the commencement of a strike.

10. Struck work: The conference report preserves existing law on the question of the right of labor to refuse to work on struck goods. The House bill would have limited this right.

11. Prehire contracts in the construction industry: Conference report permits prehire contracts in construction industry accepting Senate provision on this subject. Conference report also permits unions and prime contractors in construction industry to enter into agreements by which contractor refuses to subcontract to nonunion operators.

12. Bonding: Conference report places a $500,000 limitation on amount of bond required to be taken by a union officer; the House bill had no such limitation.

13. Elections: Conference report makes the Secretary of Labor responsible for bringing suits in a Federal court to remedy improper elections. The House bill would have provided that individual members could bring suits in U.S. district courts to overturn improper elections.

14. Membership lists: House bill gave candidates for union office the right to inspect and copy from membership lists in union shops. Conference report restricted this to one inspection 30 days prior to an election without right to copy.

15. Employer reporting: Conference strengthened immeasurably employer reporting section 203 which was meaningless in the House bill.

Mr. Speaker, I have just set forth the 15 major areas in which the conferees improved the House-passed bill. Following is a summary of these items on eight major points in considerably more detail. There are tremendous improvements, for they represent the return to the American labor movement of its right of survival. They are:

In the 12 days during which the conference met, the majority of the conferees secured important changes in the restrictive provisions of the Landrum-Griffin bill, thereby protecting traditional and essential rights of workingmen seeking to improve conditions of employment. It is important that the House should note these changes:

1. "No man's land": The conferees insisted upon an amendment which prevents the NLRB from declining to exercise its existing jurisdiction and thereby depriving both employers and employees of the protection of the National Labor Relations Act. The Landrum-Griffin bill would have allowed the Board to surrender unlimited jurisdiction to the States, 35 of which provide no protection to the rights to organize and bargain collectively. The conference report prevents further cession. The current standards of the NLRB assure the widest effective exercise of Federal jurisdiction in the history of the National Labor Relations Act.

2. Organizational picketing: The House bill would have forbidden virtually all organizational picketing, even though the pickets did not stop truck deliveries or exercise other economic coercion. The amendments adopted in the conference secure the right to engage in all forms of organizational picketing up to the time of an election in which the employees can freely express their desires with respect to the choice of a bargaining representative. When the picketing results in economic pressure through the refusal of other employees to cross the picket line, the bill would require a prompt election. Purely informational picketing cannot be curtailed under the conference report, although even this privilege would have been denied by the Landrum-Griffin measure.

3. Secondary boycotts: The secondary boycott provisions of the House bill would have curtailed legitimate union activities. Accordingly, the conferees insisted that the report secure the following rights:

(a) The right to engage in primary strikes and primary picketing even though the employees of other employers refused to cross the picket line.

(b) The right of employees to refuse to work on goods farmed out from an establishment in which the employees are on strike.

(c) The right to appeal to consumers by methods other than picketing asking them to refrain from buying goods made by nonunion labor and to refrain from trading with a retailer who sells such goods.

(d) The right of labor unions representing employees in the apparel and clothing industry to refuse to work for a jobber or contractor who subcontracts parts of the process of production to nonunion subcontractors. This guarantee, which was opposed by the House conferees for 2 weeks, is absolutely essential to the stability of these industries. The bill makes special mention of the industry because it has peculiar problems.

The chief effect of the conference agreement, therefore, will be to plug loopholes in the secondary boycott provisions of the National Labor Relations Act. There has never been any dispute about the desirability of plugging these artificial loopholes.

4. "Hot cargo." The Landrum-Griffin bill extended the hot cargo provisions of the Senate bill to all agreements between an employer and a labor union by which the employer agrees not to do business with another concern. The Senate insisted upon a qualification for the clothing and apparel industries and for agreements relating to work to be done at the site of a construction project. Both changes were necessary to avoid serious damage to the pattern of collective bargaining in these industries.

5. Economic strikers: The conferees adopted the substance of the provisions of the Senate bill reversing the Taft-Hartley rule that economic strikers who have been replaced should not vote in an NLRB election. This is a highly important change, for the Taft-Hartley prohibition had opened the door to union-busting practices.

6. Prehire agreements: The conference report incorporates the provisions of the Senate bill authorizing labor unions and contractors in the construction industry to negotiate prehire agreements. The Landrum-Griffin bill contains restrictive and unworkable provisions on this point.

7. Employer reports: The conference provision adopts the substance of the Senate bill dealing with the reports to be filed by employers and labor relations consultants, the purpose of which is to disclose to the Government and public opinion any repetition of the unsavory practices brought to light by the McClellan committee. One of the important consequences of these reports will be the full disclosure of sums of money spent by employers to finance "front" organizations distributing propaganda designed to prevent further union organization.

8. Membership lists. The House bill would have required a labor union to open its membership lists to any candidate in connection with an election of officers. Although this requirement is fair in the case of bona fide candidates, it created grave dangers that "stooges" would obtain the membership lists for subversive organizations or commercial use. The conferees secured additional safeguards by limiting the right to one inspection within 30 days prior to an election, without the right to make copies of the list.

Mr. Speaker, I invite the attention of the Members of the House to page 17901 of the CONGRESSIONAL RECORD of September 3, 1959, in which Senator KENNEDY and Senator CARROLL establish a carefully thought out legislative history for the "no man's land" provisions of the conference report. The Members will note that the committees of both Houses of the Congress will watch most carefully the operations of the States in this area.

While I have serious reservations regarding the conference report proposal to cede to the States part of the traditional Federal responsibility under the interstate commerce clause of the Constitution of the United States, I shall support the proposition because of its limitations. We are not giving the National Labor Relations Board the right to abandon its responsibility. We are, in fact, limiting that right and are saying—quite clearly—that they may assume even more jurisdiction than they now have, and that they must follow our directions most carefully. They must preserve the guarantees given to the Nation's working people under the National Labor Relations Act, and they—the NLRB—can take more jurisdiction, not less. The committees of the Congress will keep a careful watch to see that this limited grant is not abused. I see no analogy between this section and section 14B of the Taft-Hartley Act, and no such analogy was intended by the joint conferees.

Mr. Speaker, in connection with the conference report there is one more matter of great importance which must be made clear if there is to be a valid legislative history accompanying this vital legislation. I did not have an opportunity to see or to read the statement of the managers on the part of the House before it appeared in the CONGRESSIONAL RECORD today. Upon a very hasty examination of this document, I find at least one statement therein upon which I should like to make this comment for purposes of clarification. The last paragraph of the statement is correct when it refers to the fact that the conference adopted the provision of the Senate bill permitting prehire agreements in the building and construction industry. In these circumstances, the considerations in the Senate committee report which were before the Senate when it debated the bill are governing in determining the intent of the language on this subject in the conference report.

With respect to the phrase in the last paragraph of the statement that nothing in section 705 is intended "to authorize the use of force, coercion, strikes, or picketing to compel any person to enter into such prehire agreements," I would state that literally speaking, the

above quoted phrase is not incorrect. However, it should be entirely clear that there is no language in the conference report which justifies any implication that section 705 is intended to deny the right of a union to strike or to picket for a legal object, such as a prehire agreement in the building and construction industry which is validated by section 705.

Mr. Speaker, in conclusion I would like to state that I am grateful to have had the opportunity to serve on the conference committee. It has been a terrible ordeal, but one which brings rewards in that I have had the opportunity to espouse the cause of reason and moderation in a time when the Congress and the Nation have been engulfed by the demands of extremists at each end of the spectrum. There have been those who will be satisfied with nothing less than the destruction of the Nation's trade union movement and those who will be satisfied with nothing less than the right to trample, unfettered, over the destinies of those whom they purport to represent as labor leaders. Neither side has been pleased, and so it should be. We have offered here today a compromise which will clean the rot out of the labor movement without destroying that wonderful segment of our society. It is an honest and honorable compromise. I am not completely satisfied with the legislation, but it is, at least, a vast improvement over the bill which the House enacted under the pressure of uninformed, but powerful influences. The Congress of the United States has done the legislating and in so doing has done its duty.

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, it is my considered judgment that the position taken by the supporters of the Elliott bill was substantially vindicated by the conference report. Indeed, I will go one step further and assert that the bill we are completing final action on today is closer to the Elliott bill than to any of the other bills which were considered by the House last month.

Although naturally I have reservations with regard to some of the language in this report, it is my judgment that the compromise worked out by the conferees represents a middle-road approach to the complex problems which confronted the conference.

Mr. Speaker, for the benefit of our colleagues I have analyzed the major amendments adopted by the conference and have compared the final product with the pertinent sections of the Elliott bill.

Here are the main points of comparison as I see them:

First. No man's land: The Elliott bill required the NLRB to hear and decide all cases falling within the Federal jurisdiction. The Landrum-Griffin bill turned all no man's land cases over to the States, and conferred discretion on the NLRB to decline to hear cases which now are within the purview of its jurisdiction and turn them over to States. In other words, the Landrum bill placed no limitation whatsoever upon the Board's power to narrow its jurisdictional boundaries and deny the protection now accorded by the NLRB.

The conference compromise authorizes the NLRB to cede the no man's land cases to the States but simultaneously mandates the Board not to contract its jurisdiction. This is a very constructive step, as the NLRB is presently exercising the widest effective Federal jurisdiction in the history of the National Labor Relations Act. One other highly significant fact deserves notice. The conference report does not inhibit the Board from expanding its scope of activity in the future: thus if some future Board has the will—and the necessary congressional support—to exercise plenary jurisdiction and take all cases—the Elliott solution—such a solution is a permissible one under the conference agreement.

Second. Organizational picketing: The Landrum bill forbade all organizational picketing with one exception which permitted recognition picketing for 30 days by unions having at least a 30-percent membership in a particular plant. The Elliott bill forbade organizational picketing after an election—unless the union won the election, or subsequently secured a majority without picketing—and accelerated the holding of elections so that one might be secured by either labor or management within 45 days from the time a petition was filed. In other words, the most important distinction between the two bills on this subject was that the committee bill did not forbid picketing before an election. As I read the report, it is plain that the basic assumptions of the Elliott approach prevailed, and the amendments adopted by the conference allow organizational picketing up to the time of an election, with the proviso that when such picketing results in overt economic pressure—by stopping the flow of transportation, or through refusal of other employees to cross a picket line—a prompt election is mandatory. The conference report also protects informational picketing that does not result in economic coercion—a right of free speech which would have been denied by the Landrum bill. Thus, clearly the conference compromise in this area hews much closer to the line drawn by the Elliott bill than that of Landrum-Griffin.

Third. Secondary boycotts: The secondary boycott provisions of the Elliott bill would have closed the "hot cargo contract" loophole which has been a source of power which has been abused by Mr. Hoffa and the Teamsters Union. The Landrum-Griffin secondary boycott provision was so broadly drawn that some of us, during the debate on this issue 3 weeks ago, expressed grave doubts that the reach of this language was so broad that many legitimate union activities would be curtailed. My colleagues will recall that during my opening statement in support of the Elliott bill, I asserted that the Landrum-Griffin secondary boycott section would outlaw primary picketing even where a bona fide labor dispute existed over wages and working conditions. The conference recognized the validity of this argument and affixed a proviso to protect lawful primary picketing.

In addition, the conferees wisely set out to plug the few remaining loopholes in the secondary boycott provisions of the Taft-Hartley Act without impinging upon basic rights vital to some segments of the labor movement. Hence, the amendments adopted in conference: (a) Protect the stability of the garment industry—with its unique problems and traditional practices—a move, I might say, which will be applauded both by management and labor spokesmen of this industry; (b) affirm the right of employees to refuse to work on "struck goods"; and (c) protect the free speech right to appeal to consumers by nonpicketing methods.

It was the contention of supporters of the Elliott bill in debate that they were not opposed to the closing of the artificial loopholes in the Taft-Hartley secondary boycott embargo providing precise language was used which would prevent encroachment on the beneficent and necessary rights of trade unions. It is understandable, then, that we regard the conference solution in this section as a sound one which largely vindicates our point of view.

Fourth. The right to vote of economic strikers: The conference adopted the essential point of view taken by the Elliott bill by according the right to vote to economic strikers. This right was qualified by a reasonable 1-year limitation on voting.

Fifth. Prehire agreements: The conference report incorporates the essential provisions of the Elliott bill authorizing labor unions and contractors in the construction industry to negotiate prehire agreements. The more restrictive and unworkable provisions of Landrum-Griffin were rejected.

Sixth. Criminal penalties for forceable interference with rights guaranteed by the act: This was a major dispute between the supporters of the Elliott and Landrum-Griffin bills during floor debate. It was the contention of the backers of the Elliott bill that the Landrum-Griffin penalties were so stringent that they might deter honest men from seeking and holding union office. We argued that the rights conferred by the act were so numerous and varied that in most instances the penalty did not fit the crime with the result that this sanction would be both harsh and unworkable. Our argument on this point prevailed and the Landrum-Griffin bill was quietly amended so that the drastic felony penalty was reduced to a misdemeanor. This solution was then adopted by the conference report.

Seventh. The conferees also reached into the Elliott bill and adopted one of its provisions which will enable the NLRB to handle more cases, and to handle them more expeditiously, by decentralizing its supervision of elections.

These, Mr. Speaker, are some of the reasons why, in good conscience, I feel that those who supported the Elliott bill can vote for the conference report today.

Mr. QUIGLEY. 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 Pennsylvania?

There was no objection.

Mr. QUIGLEY. Mr. Speaker, they said it could not be done. And, frankly, Mr. Speaker, for a long time and with good reason I thought they might be right. I suspect that if the truth were known, that there were moments when all 14 of the conferees were themselves certain that they could never come to an agreement. Fortunately, however, this thought never came to a majority of the 14 at the same time. As a consequence, to their credit, to the delight of their colleagues and to what, I trust, will be the ultimate good of the Nation, the House and Senate conferees finally came to an agreement on a labor-management reform bill.

That bill is now to become the law of the land. The other body has already passed it by the overwhelming vote of 95 to 2. The vote in this House will be somewhat less overwhelming but nonetheless the measure is certain to clear here today with a preponderance of votes in its favor. No one has any doubt that the President will sign it into law.

We all know why this has happened. It is not just because of the determination and patience displayed by the members of the conference committee as they struggled with the almost impossible task of reconciling differences in legislation as difficult and divergent on a subject as emotionally and politically charged as the separate labor measures passed by each House of the Congress. The conferees acted as they did because every last one of them wanted a bill. They knew that just about every one of their colleagues in both bodies on both sides of the aisle wanted a bill. But the conferees acted as they did and the Congress has and will act as it will because all of us know that the people in this country want a law which they trust and hope and pray will give them the answer to the sickening display that they have watched on their television screens during the almost 2½ years of disclosures before the McClellan committee. This is why the American people have demanded a bill and this is why the Congress will give them the bill now before us.

To what extent this demand was spontaneous or how much it may have been carefully manufactured I do not think it is necessary or appropriate for me to comment upon at this time. Only the most naive among us would fail to recognize the phoniness in many of the demands that were part of a very obvious out builtup pressure to which we were all subjected a few weeks back when the issue was being considered on the floor of this House. However, only those of us who are completely blind would fail to recognize that despite all the stimulation and the simulation there was and is a real demand in this country for effective legislative action to curb the excesses and abuses that have unfortunately made their way into labor-management relation matters. How real this demand may be I cannot say. That it is real I am certain.

How adequate to the needs of this demand is the bill now before us I cannot say either. Only time and a lot of future court decisions will really tell. In other words, how really good or really bad a bill we are passing today no one can honestly say with certainty. Time alone will tell whether the decision we make today is truly right or quite wrong, but at the moment we do not have that kind of time. In a very short order, the roll will be called and we will make our decision. We will make that decision not on the basis of how good or how bad a law it will prove to be but on the basis of how good or bad a bill we believe it to be at this moment.

When that moment comes the choice we face will be "yes" or "no." When your name is called, under the rules of the House no member can vote "maybe" or "perhaps" or only for part of the bill, however much such a vote might accurately reflect your true feelings and honest views of the measure being voted upon.

When my name is reached I shall vote "yes." This is a vote born of the twin conviction that, first, in the words of the junior Senator from Massachusetts who chaired the conference committee which produced this bill, "it is the best bill we can get and still get a bill," and, secondly, the further conviction on my part that we must have a bill.

In the less than 48 hours since the conferees finally agreed, I have not—nor for that matter has any Member in this body—had the opportunity to study in detail every one of the 137 pages of the final bill. What we are doing here today is in fact a very dramatic demonstration of the congressional committee system in operation. The vote today, just as the vote late last night in the other body, is nothing so much as a vote of confidence in the work and the integrity of the members of the conference committee. If we are honest with ourselves, we must admit that our vote will reflect much more our faith in the conferees than our knowledge of their handiwork.

I have, however, in the limited time available, made as complete a study as I possibly could, not only of the bill itself but of the all-important conference report. On the basis of this admittedly unthorough study, it is my conclusion that the bill for which I am about to vote could best be described as a good bill with some bad parts.

The CONGRESSIONAL RECORD for today, just like the public press in recent days, is certain to be cluttered up with a lot of pure semantics. To illustrate what I mean, I would merely mention that at one stage of the conference, one of the conferees publicly stated that up to that point 90 percent of what the conferees had adopted was Landrum-Griffin. This newsless news was promptly relayed to the American people through the media of the Nation's press, radio, and television. I do not think anyone would deny that the final draft of the bill is more like the House-passed Landrum-Griffin bill than the Senate-passed Kennedy bill. Yet this tells us nothing. When anyone suggests that the final bill is, say 85 percent Landrum-Griffin, you must keep in mind that about 75 percent to 80 percent of the Landrum-Griffin bill was itself lifted lock, stock, and barrel from the Elliott bill reported by the House Committee on Education and Labor. I do not want to add to the confusion by getting involved in this numbers game or in a lot of meaningless names. I merely want to state that when, on the many matters of internal union reform covered by the first six titles of the bill, the conferees moved, as they did, away from the Senate-passed bill and toward the House version, they were, in fact, in most cases moving in the right direction. I will leave it to others to quibble over the matter of whether the language finally adopted was more like Landrum or Griffin or Kennedy or Elliott or Kearns or what. My own suspicion is that in a good many cases the language finally hit upon was more like Cox.

On the other hand, when it came to dealing with the all-important seventh title of the bill—the Taft-Hartley amendments—I am grateful that the Senate conferees were as successful as they were in getting the pendulum to swing as far back as it did in the direction of fairness and sanity. I would have been happier if it had gone further, but I am pleased that, for example, to get at the evils of blackmail or extortion picketing, the conferees did not follow the Landrum-Griffin approach of—for all practical purposes—outlawing all organization picketing no matter what the circumstances. Again, for example, I was pleased that in the blind haste to get at corruption the conferees opened their eyes long enough to see some of the realities in the garment industry and building trades and to amend the bill accordingly.

On the other hand, I deeply regret that having come so close to what I consider to be an almost ideal solution to the "no man's land" problem when they had the Prouty amendment before them, that the conferees finally fell short of this much-needed goal. In my judgment, there is no question that the one section in the bill that could be used as a vicious anti-union device is section 701(a). This is the H.R. 3 provision in this bill. The Taft-Hartley law already has one H.R. 3 provision and it has fathered the rash of so-called right-to-work statutes that since 1947 have been put upon the statute books of too many States. Now today we are adding a second H.R. 3 section to Taft-Hartley. This I truly deemed to be unfortunate. I recognize that the conferees did succeed in improving the language of this section and to build in safeguards for the rights of employees in small business which were not present in the original Landrum-Griffin bill. As I said before, only time will tell whether what I believe to be the antiunion potential of section 701(a) develops and, if it does, whether the administrative remedy for such a situation provided for by the conferees will prove adequate.

Ironically, while section 701(a) is the worst section in the bill, from the point of view of the unions in my own State, it may prove to be the best. This seem-

ing contradiction arises from the fact that Pennsylvania is one of the States with a State labor relations act and having a State labor relations board ready to administer it. From now on, where the NLRB leaves off in Pennsylvania, the Pennsylvania Labor Relations Board will take over, and when it does the applicable and controlling law will be the State's "little Wagner Act."

On August 13, when my every effort and my every vote fell short of producing a better labor-management reform bill, I voted to send the Landrum-Griffin bill to conference. This was not, I assure you, a vote of confidence in Landrum-Griffin but rather a vote of hope that the conferees might succeed where the House had failed—to write a reform bill which would be both effective and fair. Now that the conferees have reported, I cannot honestly say that my hopes have been fully realized but neither could I say that they have been dashed. I do not think that the bill we are about to pass is either completely effective or fair. However, considering the forces at work and considering the odds against the conferees producing any bill at all, what they did was in balance a remarkable, even an unbelievable, accomplishment. I will cast my vote with certain misgivings which I trust time will demonstrate unjustified. I will also cast my vote with the fond hope that principles of union democracy which we have today attempted to write into law may prove to be a great new wellspring of good unionism—in every meaning of the word—in this country. As the senior Senator from Minnesota so eloquently pointed out to the Members of the other body last evening, the contributions which the unions have made and are making to the welfare of this country and the cause of freedom everywhere can never be adequately measured and are too seldom appreciated by most Americans in and out of unions and, I might add, in or out of this Congress. My hope is that today marks the end of a short, somewhat sordid chapter in what has been and will continue to be the great and glorious history of the trade union movement in America.

Mr. BARDEN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Speaker, it has been mentioned here that we have a good conference report. We do have. However, I did not realize so many people now want to adopt this labor baby. But, I believe we should leave it with its natural father, the Landrum-Griffin bill, because that is what it is, and because the conference committee, in its deliberations, in the final analysis, has adopted the basic principles that were voted on in this House.

Now, I am, frankly, very happy with the conference report. We have corrected many of the evils, but we have not in any way put in the legislation one thing that will hurt the legitimate organizations of working people in this country. We have not done one thing that will prevent a man from joining a union if he wants to. We have in the field of secondary boycotts eliminated a very serious evil. What has been happening to the Burt Manufacturing Co. and other companies in similar situations cannot happen in the future. It is not going to be necessary to have injunctions to prevent one union from picketing another. In fact, the final provisions contained in the Landrum-Griffin bill are these, among others: A bill of rights; requiring all unions to report; outlawing all hot cargo agreements; closing all the secondary boycott loopholes; dealing effectively with blackmail organization picketing; and providing a realistic and workable solution for the no-man's problem.

Mr. Speaker, it was a rather difficult situation for the chairman of the conference. He was up against the very difficult problem in view of the fact that there was so much in the Landrum-Griffin bill that was not in the Senate-passed bill. I have the feeling—and I just make this as my own observation—that there may have been a few political considerations in the conference.

Then right in the middle of this we received the threatening letter from Mr. Carey in which he informed us, in no uncertain terms, that those of us who had supported the Landrum-Griffin bill would not have a chance to come back here in the next Congress. Mr. Carey did not speak for all of the union leaders because I think the legitimate union leaders of this country realize that the rank and file workers wanted the Landrum-Griffin bill.

This letter is typical. I have enough union members in my district to back up this stand. I had my staff go through the file and pick out letters from union members asking for this bill. Everyone is free to come over and look at them, if he likes. This is a typical letter.

> DEAR MR. AYRES: We want to thank you for the position you have taken concerning labor reform.
>
> We as members of Teamsters Local 24 know the great need for such legislation.
>
> The labor leaders say they are going to defeat all of you men who voted for this labor bill. As far as we know the only votes controlled by the labor leaders here in Akron, Ohio, are their own.

The people wanted the Landrum-Griffin bill, and I am happy that they got it.

Which bill did Congress pass?

First. When S. 1555 was reported from the Senate Labor Committee, of which Senator KENNEDY is chairman, its principal titles dealt only with reporting, trusteeships, and elections.

(a) Under the existing Taft-Hartley law, all unions, regardless of size, must now file annual financial reports in order to obtain elections or file unfair labor practice charges with the NLRB. The reports which would have been required under S. 1555—as reported by the Senate committee—were almost identical to those now being filed; however, the bill would have permitted the exemption of any or all unions having fewer than 200 members.

(b) The only proposed amendments to the Taft-Hartley Act then in the bill were, first, an unworkable provision dealing with no man's land; and, second, several "sweeteners" demanded by union leaders.

On August 3, 1959, Senator KENNEDY made a speech in Oregon to the AFL-CIO State convention. Following is a quotation from the official text of his address:

> I do not say that the bill (S. 1555) as it finally passed the Senate was perfect in every respect. Certainly I do not blame the AFL-CIO for trying to change some of the amendments added on the Senate floor. Certainly I share their regret that the reasonable, fair and responsible bill reported by the Senate Labor Committee—worked out carefully with President Meany and his lawyers, and supported by the executive council—was altered—undesirably and unfortunately altered—on the floor of a supposedly friendly Senate.

Second. What were the amendments adopted on the Senate floor?

(a) Senator MCCLELLAN's bill of rights would have failed, and there would have been no bill of rights for union members in the Senate-passed bill, except for the tie-breaking vote of Vice President NIXON. Senator KENNEDY voted against the McClellan bill of rights.

(b) Hot cargo: A very limited amendment was adopted on the Senate floor which would have outlawed only some of the Teamsters Union hot cargo contracts. Hot cargo is only one of the secondary boycott loopholes.

(c) Other secondary boycotts: Senator KENNEDY opposed efforts made on the Senate floor to close the other secondary boycott loopholes.

(d) Blackmail picketing: Senator KENNEDY opposed amendments offered on the Senate floor which would have dealt effectively with this deadly weapon used against the small businessman and his employees. The Senate finally adopted a very weak provision which was hardly more than a restatement of existing law.

Third. The Landrum-Griffin bill, as it passed the House, among other provisions (a) contained a meaningful bill of rights for union members; (b) required all unions to report; (c) outlawed all hot cargo agreements; (d) closed all the secondary boycott loopholes; (e) dealt effectively with blackmail organization picketing; (f) provided a realistic and workable solution for the no man's problem.

Fourth. The Senate-House conference adopted the House-passed bill with only a few modifications and clarifying amendments.

Which bill did Congress pass?

In my judgment it was the Griffin-Landrum bill.

Mrs. GREEN of Oregon. 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 gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, the righteous indignation with which the gentleman from Ohio [Mr. AYRES] rises to discuss Mr. James Carey's letters to the Congress, does the gentleman from Ohio credit. It is always a good thing when the Congress of the United States witnesses such moral fervor. A sense of outrage, a bit of anger is a healthy thing.

In short, Mr. Speaker, I was delighted to hear the fervor with which the gentleman from Ohio denounced the efforts of James Carey who suggested to Members of Congress who voted for Landrum-Griffin that they were, in fact, casting an antilabor vote—one which could be held against them by labor.

Mr. Speaker, it may be that I do not appreciate double standards, or it may be that there is a new House rule of which I am unaware, which says that only labor can be criticized for pressure mail and for lobbying in its own interest. If I am violating such a rule, I ask your pardon and the pardon of the distinguished gentlemen who have told us of their sense of outrage at Jim Carey's letter. If there is no such rule, I wonder why it is that so little of this fine moral sensitivity has been expended upon such outrageous lobbying tactics as those, for example, used by the chairman of the Republican National Committee. That gentleman, Mr. Speaker, frankly and unblushingly described his lobby techniques, and his comments were reprinted in the Washington Post—the day after the vote, of course. Under unanimous consent, I include the news story to which I refer at this point in my remarks:

MORTON SUGGESTS FEDERAL INSTALLATION CLEARING HOUSE

THRUSTON B. MORTON, chairman of the Republican National Committee, sees a need in the Eisenhower administration for a clearinghouse to review proposed closings of Federal installations.

He said yesterday the party is trying to "get a setup, I don't know whether it will be in the White House or not, where if any installation has to be closed they will let somebody with political savy look at it."

"If the action can just as well wait until after an election, let us do that," he proposed.

But MORTON urgently felt the need for such a clearinghouse Thursday. He said he was trying to persuade two Members of the House, both from labor districts, to support the administration's labor bill. One declined flatly, claiming it would be political suicide. The other reluctantly agreed.

Before the day was over, MORTON related an announcement was made that a Federal installation would be closed in the district of the Member who was supporting the bill and that a new installation would be opened in the other Member's district.

"We got to that one just in time and got it straightened out," he added.

I understand similar pressures were used at the time of the vote to override the veto on the public works appropriation bill.

Now, Mr. Speaker, I do not suggest that the chairman of the GOP National Committee should not have lobbied for Landrum-Griffin. The punitive provisions of that bill—happily left behind on the floor of the conference committee—fully expressed the antilabor attitudes of the members and the backers of the Republican Party. As chairman of the national committee, that gentleman had a duty to lobby for the legislation for which his party stands. So I do not criticize the distinguished gentleman from Kentucky for doing the job to which he was assigned by his party and his President. If, as Members on the other side of the aisle have admitted, they have been threatened with being replaced in their own primaries if they voted against Landrum-Griffin, this may cause some concern. But I do not believe that any Member on either side of the aisle has voted as he did on this controversial issue because of fear of electoral reprisal. I do not think, however, Mr. Speaker, that the use of Federal installations—the opening and closing of such installations in a Member's district, is a proper way of "persuading" a Member of this House that a party-sponsored bill is necessarily sound legislation. In the light of the statements by the able, active, and effective chairman of the GOP National Committee, I am certainly moved to congratulate the Members opposite who voted against Landrum-Griffin, for the courage which they demonstrated. It is my sincere hope that these courageous Members of the opposite party will not have too many installations closed in their districts, and that their opponents in the coming primaries will not be too openly supported by the administration. I think we can hope for a little finesse, at least.

Thousands of letters have been received in recent weeks on the labor-management reform bill. The pressure mail on Landrum-Griffin demonstrated clearly the truth of the statement of the Senator from Arizona, who was one of its strongest backers, Mr. GOLDWATER, when he said, "To the people of the country, Landrum-Griffin is the bill they want, even if they don't know what is in it." Landrum-Griffin, Mr. Speaker, was the beneficiary of a vast amount of pressure letters signed by people who evidently did not know what was in it, but directed and inspired by people who knew exactly what was in it.

This propaganda was successful beyond the wildest dreams of the professional lobbyist. Big business pressure groups sold the Landrum-Griffin bill to the people and to the House on the specious grounds that it was tougher on racketeers than were the other bills at hand. These lobbyists, Mr. Speaker, deserve to bear a little of the righteous indignation which my friend from Ohio has heaped upon Mr. Jim Carey.

It is certainly true that pressure from Hoffa's lobbyists was just as intense and just as carefully inspired as was pressure from the management side. But much has been said about labor pressures and little has been said of the other pressures.

Last night I leafed through my voluminous files of correspondence on the labor bills. I have extracted from those files, without any difficulty, a few of the more overbearing examples of pressure mail. These are not, by any means, all the letters of this type that I have received. But they are typical. They are typical in that they combine an assertion that I will probably vote as labor dictates but with a firm insistence that I must vote as their—not my—conscience directs. In several of these letters, Mr. Speaker, you will notice a thinly veiled threat—or an unveiled threat—in regard to my political future. And, for the most part, they display either a complete ignorance of what was in the Landrum-Griffin bill, or complete indifference to its effect upon the people of this country. These are the letters which are supposed to reflect public demand. These are the reasonable, thoughtful, persuasive letters which the gentlemen who have been so indignant about Jim Carey have consistently forgotten to mention.

It is time for anger, Mr. Speaker. It is time for anger when a miller in Illinois can be so arrogant as to refer to the House of Representatives as "yellow-bellied mollycoddles" because some of us do not share his antiunion sympathies. Under unanimous consent, I include his letter at this point in my remarks:

DEAR MADAM: Last night I listened to President Eisenhower make his appeal to the American people to support the American way of life on labor legislation.

We are getting in a pretty sad state of affairs when our President has to go to the people, and in effect, tell them our lawmaking bodies are made up of a majority of "yellow-bellied mollycoddles," hamstrung by labor hoodlums, so that they cannot or will not think for themselves or the people that they represent.

The American people and I have been fully aware of this ever since the beginning of the excellent exposé of Senator MCCLELLAN'S committee, but it is rather revolting to have to write an American lawmaker and ask him to vote American.

I hope this shoe does not fit you—but if it does, I plant it on your foot as solidly as I know how, and ask you, if you cannot support the administration's labor reform bill, or the Landrum-Griffin bill, then please give your American constituency the common decency of resigning so that they may be honestly represented.

Yours very truly,

_____ _____.

It is time for anger, Mr. Speaker, when one of the spokesmen for the union busters frankly states that their objective is to have "all the labor leaders yelling from their cells." Under unanimous consent, I include this letter at this point in my remarks:

Dear MRS. GREEN: I am extremely disappointed with your position on the Landrum-Griffin bill. The bill in my opinion is not strong enough, and until we pass bills that knock some of our labor leaders off their pedestal we are going to continue with the corruption that is plaguing our United States. Unless your position changes you will never receive my vote or the vote of many others I know.

I urge you to pass a bill so strong all the labor leaders will be yelling from their cells.

Sincerely,

_____ _____.

I began by saying I was delighted at the demonstration of righteous indignation displayed by my friend from Ohio—but I wonder if we can get 100 or 75 or even 50 of our Republican colleagues to join us on this side of the aisle in directing some righteous indignation at the mobs of yelling cowards who line up by the hundreds to frighten 9 schoolchildren, or in other towns who return at night under the cover of a grimy sheet and the cloak of darkness to throw bombs at synagogues and schools. I am sure the gentleman will not begrudge me the exercise of some indignation at these betrayals of the public interest.

But where is the evidence of congressional intent to act to stamp out these instances of violence, these attacks upon democracy? Just about 2 weeks ago, I asked if the President intended to plead as eloquently for legislation in the

field of civil rights as he had pleaded for punitive labor legislation. I have heard no answer from the President or from his lieutenants in the Congress.

Are we so hypnotized by N.A.M. propaganda that we think violence in the field of labor relations is somehow more objectionable than the violent denial of constitutional rights? Are we so confused by the pressure politics which have been played by the antilabor forces of the country, from the President on down, that we think it is more improper for a union official to dip his hand in the till than it is for a corporation to engage in transparent tax dodges? Mr. Speaker, have the "budget balancers"—who oppose any bill to combat juvenile delinquency—have they persuaded us that violence in a union meeting is a greater threat to the Nation than violence in a juvenile gang war?

Mr. Speaker, during these last several weeks I have joined my colleagues in the committee and on the floor in arguing for a labor-management reform bill. It is needed. And I intend to support the conference committee bill—not because it is perfect. It is not, and there are two main provisions I hope we will change next year.

But the good parts—the necessary parts of the bill far outweigh the bad provisions. And it will at least equip the American people to chase the crooks from one segment of the Nation's economic bloodstream. I sincerely hope, with perhaps more optimism than realism, that the high moral fervor which possessed this House when we were riding down crooks in labor and management, when we were legislating against violence in unions, when we were crusading to protect the secret ballot in unions—I hope, I say, that this high moral fervor will still be present when we turn to civil rights legislation—to legislation to eliminate violence as a mode of race relations, to legislation to guarantee any ballot at all, much less a secret one, to colored Americans in States where they are denied the ballot. I hope the fearlessness which motivated the backers of the Landrum-Griffin bill will be in evidence on this floor when those civil rights bills are before us. I would certainly want to see those rumors about a deal on civil rights put to rest once and for all.

Mr. BARDEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, the battle is over. I do not think there is a Member on this floor who does not know what the vote is going to be. The record has been made. I have made my record and I am ready to stand by it. It is based on conscience and my district. For those of you who have not had the chance to ask me how I am voting, I am here to tell you. On the eve of Labor Day, the day set aside to honor the free American worker, I am not going to join those who stand with a loaded gun at the head of labor and a knife at its heart. I am voting against the adoption of this conference report because I think there are still things in title VII that are inimical and dangerous to the welfare of the working men of this country and, in the long run, dangerous to the welfare of this democracy.

I say to those of you from the North and the West who are inclined to join in the skulduggery that has been perpetrated by those who over the years have fought labor and whose States in a certain area, State after State, have statutory prohibitions and roadblocks against the organizing of people, do not be surprised if you see your industries moving to cheap labor areas where labor organizations will be prevented from organizing the workers.

I think the cat was let out of the bag here on this floor today when a couple of speakers who preceded me said, "This is just the first step." That is all this is, the first step to throttle free labor in this country; and then come in with a national right-to-work law, with the application of antitrust laws to all trade unions, with a prohibition against organizing in public utility fields. And no matter what concessions labor may make, these are the goals of those who do not want free and organized trade unions in this country.

I have made the record. I ask nobody to vote as I vote. But I call some of these things to your attention so you may know what the future holds.

I am against the conference report because I think it is not in the best interests of labor or the country.

Mr. Speaker, the conferees have brought back a report that is not as stringent or as vicious as the Landrum-Griffin bill. Like others I commend all the conferees for their efforts, but I cannot find it in myself to compliment them on the result. Let me make a few specific points of the weaknesses of this report as a law.

I think, Mr. Speaker, that some of the comments made in reference to this bill are more revealing than anything that was said by its advocates during the debate of last month.

Here, and in the other House as well, we have heard the principal supporters of this measure describing it, as I said, as a "first step"—to be followed, in due time, by placing unions under the antitrust laws, by the prohibition of nationwide or companywide bargaining, and so on.

I presume that all these remarks will be duly printed in the CONGRESSIONAL RECORD. If they are printed as they were uttered, I can only express my regret that the RECORD does not penetrate into every American household.

Now, at last, the real objectives of the so-called reformers are laid bare Now, at last, they admit that their goal is not the elimination of the crooks, but the destruction of trade unionism.

They are quite right when they call this bill a long step toward that objective. However, they are wrong when they call it a first step. The first step was the Taft-Hartley Act, adopted in 1947. This is a second step in the same direction—the wrong direction for labor and for America.

Mr. Speaker, as the author of a reform bill that this House rejected—the only bill, in my opinion, that punished the guilty instead of the innocent—I want to set before the House a few simple facts.

The first fact, the one that so many of us have forgotten, is that the U.S. Government is committed, by act of Congress, to the encouragement of collective bargaining.

That policy was established in the Wagner Act. It was specifically upheld by Chief Justice Hughes, a Republican, in the Supreme Court decision that declared the Wagner act was constitutional. The same policy is repeated in the preamble to the Taft-Hartley Act.

I challenge the supporters of this bill, and those who speak so bravely of the other measures that will follow it, to state, openly and honestly, their real intentions. I challenge them to seek a reversal of our national policy—to reject the principle that collective bargaining is good for the country.

That's what they believe; and I dare them to say so.

I have no fear, Mr. Speaker, that any of these gentlemen will take up the challenge. They will continue along their established course, paying lip-service to collective bargaining, while they do everything in their power to prevent it.

This bill, Mr. Speaker, is one of the steps on that course.

It is a bill replete with sins—sins of commission and sins of omission. And that is why, with all due respect to the conferees of both Houses, I cannot support it.

Let me try, as quickly as possible, to summarize the sins which this bill commits against the honest, legitimate labor movement.

First, it combines with the Taft-Hartley Act to freeze the labor movement at its present size. That is the meaning and the purpose of its restrictions on the right to picket.

Do we in this Congress really believe in that proposition? Do we really want to say to the unorganized workers, "You came along too late—you can't join a union"?

Do we want to say to the labor movement, the organized workers, "You can't have a peaceful picket line to tell the public about nonunion goods"? Do we want to forbid union members from taking a united stand against sweatshops and strikebreakers?

When you take the picketing restrictions in this bill, both as to organization and as to secondary boycotts, that is what we are doing.

We are telling the country that 15 million union members are all that we will allow. We are reversing, by subterfuge, what this House would not dare to reverse by direct action—the right to organize.

Second, this bill makes new rules for the "no man's land," the area which the present National Labor Relations Board refuses to govern.

I suppose it can be said that the bill does not make matters any worse. The "no man's land" was created by the present NLRB. It represents the philosophy of the present administration, that only big companies, and large groups of workers, are worthy of the Government's

attention and entitled to the equal protection of the law.

Mr. Speaker, it was the duty of the Congress, and especially of this House, which is closest to the people, to correct the administration's error. Instead of correcting it, we are confirming it. We are relegating many thousands of workers to the conflicting or nonexistent agencies of the 50 States. We are creating a class society within labor, with the dollar sign as a password.

Third—and I am reluctant to try my hand at such a technical point—we are placing union officers in a "fiduciary" relationship to the members. That has a nice, responsible sound to it. The word smells like the inside of a Boston bank, full of tradition and respectability.

But what does it mean? It means that any member can challenge, not the honesty of the union officers, but the wisdom of the membership, with the officers holding the bag.

Let me draw a parallel. Let us suppose that this House voted a loan of $100 million to the Government of France. If we were bound by this bill, the President of the United States, the Secretary of the Treasury, and—in all likelihood—many others in the executive department could be sued by any citizen, not because the action was illegal, but because in the opinion of one citizen it was unwise.

In such a case the judgment of the courts would be substituted for the judgment of the people's duly elected representatives. This bill would do exactly that in the case of the labor movement.

Mr. Speaker, these are only a few of the iniquities and inequities of this bill, which I am well aware is about to be enacted into law. Rather than continue this recitation, I want to return, very briefly, to the motives of those who have supported its most controversial terms.

The hard core of this group, the ones who made this legislation possible, come from an area of our country which is lowest in average income, lowest in educational standards, lowest in social benefits of all kinds, and lowest in degree of union organization.

I say this, not in criticism of the area or its people, but out of my compassion for them. I think it is tragic that the business leaders in that area, and those who represent them in Congress, are convinced that they can move ahead only by lagging behind; that they can develop the industries they need only by appealing to sweatshops, strikebreakers, and wage cutters.

It is my hope that my friends from the South will see the error of their ways before too many years have passed. In the meantime, however, we as a Nation cannot afford to indulge them in their mistake. We cannot afford to be dragged down to their economic level. Yet this bill is another step in that direction; another triumph of reaction over progress.

To put it another way, this is a cheap labor bill. And cheap labor is bad for those who seek it, bad for the South and bad for the Nation.

I think it is especially unfortunate, Mr. Speaker, that we should be adopting this bill on the Labor Day weekend. By our action we are rejecting the meaning of the holiday itself. In a sense, perhaps, we are making this 1959 Labor Day memorable; and I am sure it will endure in history as the low point of our times, the day when an unholy alliance of the National Association of Manufacturers, the chamber of commerce, the Republican Party and the southern defenders of perpetual poverty triumphed over the rights of man.

Mr. Speaker, I have spoken today from the heart, out of my deep convictions with regard to this bill. I have left to a later date a legal and technical analysis of its terms. I feel that this occasion was not one for statistics; but I assure you the statistics bear me out, and I shall ask leave to enter them in the RECORD at some future time.

I know it would be fruitless for me to appeal for a vote against this bill. So I will close by predicting with utter confidence, that time will prove my point; and many of those who supported this measure will live to acknowledge their mistake.

Mr. BARDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, my remarks will be very brief. As one of the House conferees, I prepared a report which was put in the CONGRESSIONAL RECORD yesterday, and which will be found on page 18021. The report summarizes the settlement of the conferees on important points of difference between the Senate and House bills.

Mr. Speaker, I wish to pay tribute to, and indicate my profound respect for, the distinguished gentleman from Georgia [Mr. LANDRUM]. I pay tribute also to the chairman of our committee, the gentleman from North Carolina [Mr. BARDEN] and to the ranking minority member, the gentleman from Pennsylvania [Mr. KEARNS], who have provided outstanding bipartisan leadership to make possible enactment of this legislation.

As one conferee, I pay tribute also to the junior Senator from Massachusetts, Senator KENNEDY, who, as chairman of the conference, presided over the long and difficult sessions with fairness.

I believe that the conference reached an agreement which retains substantially all of the House bill, with but a few modifications and clarifications. I commend the bill agreed upon to my colleagues as a fair and effective bill that will go a long way toward cleaning corruption out of some unions and will help the honest and legitimate unions to grow stronger and to flourish.

In response to a remark made by the gentleman from California [Mr. SHELLEY], I should like to say, as far as I am concerned, as one member of the Committee on Education and Labor, particularly in light of the passage of this bill, that I am definitely against a national right-to-work law. This bill will help rank-and-file union members by guaranteeing freedom and democratic rights which they so desperately need and must have to maintain control of their unions and to run them properly. While I would oppose a national right-to-work law, that is not to say, of course, that there is no need for further legislative study in the labor-management field.

Mr. Speaker, I humbly but earnestly urge my colleagues in the House to vote for this conference report and to pass this bill which will mark a great victory for the American people and for the working men and women of our country.

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

Mr. GRIFFIN. I yield.

Mr. PELLY. Mr. Speaker, my friends in organized labor entertained serious fears as to the provisions of the Landrum-Griffin bill. I believe that many of the causes of their objections have been overcome by the diligent work of the joint conference committee of the House and Senate.

For example, labor was unhappy with the 30-percent membership requirement on organized picketing. I am sure the new provision is an improvement and will not ban their long-established right of informing the public.

I have supported personally the legalizing of prehire agreements in the building industry, so that by adopting the Senate version in this respect the Landrum-Griffin bill has been improved, to my way of thinking. With the on-site picketing legislation which has been promised for early action in the next session, I am told the building trades are satisfied with this section of the report.

Just how much redtape will be required in disclosure of union financial operations I do not know. We can hope the rule of reason will prevail in the administration of the law.

There does not seem to be too much controversy over protection of rights of union members and establishment of democratic procedures. At least, I am assured that only where improper activities and practices exist need there be any serious fears of this compromise bill.

There has been a tremendous public demand for a labor bill. I am always dubious about legislation which is enacted in times of national stress. However, in this case the conferees have included qualifications and exemptions in the harsh boycott and picketing sections, so that I do not think the labor unions will suffer unduly by anti-Hoffa sentiment.

As the best legislation that can be worked out, I support the conference report and urge prompt and favorable action.

Mr. BARDEN. Mr. Speaker, I yield such time as he may require to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. PERKINS. Mr. Speaker, I would like at the outset to pay tribute to my fellow conferees, and to those of the other House for their work on this bill. They labored with great diligence and with the utmost patience under the most difficult circumstances. Not only is this a very complicated bill; but for every one of its complications there were a

half dozen different shades of opinion among the committee members.

I say with complete sincerity that this is a far better bill, both technically and in substance, than the one which left this House 2 weeks ago. For this achievement my colleagues deserve the applause of the House and of the American people.

However, Mr. Speaker, even though I recognize the dimensions of the accomplishment, I did not sign the committee report. It is a better bill, but it is still a bad bill. It is still a measure that punishes the innocent for the sins of the guilty. It still aims its heaviest blows, not at the crooks in labor and management, but at the freedom of workers to organize and bargain collectively.

I wish to state that I have supported legislation in committee and on the floor of the House that had all the necessary provisions to eliminate the crooks, racketeers, and goons from the labor movement, but at the same time would have preserved the legitimate rights of trade unions.

The bill which I favored would have prevented the repetition of the wrongdoing which the McClellan committee so diligently illustrated. Let me remind you of some of the provisions which the bill that I supported contained:

It would have guaranteed members rights in unions, assuring them the right to vote and elect union officers, protect them from unfair disciplinary action and would give them a right to sue on union matters in courts.

It would have required full disclosure of union finances. This would have stopped the Becks from dipping their hands in union tills.

Embezzlement of union funds would have been punishable by 5 years in prison.

Criminals would be barred from holding union office until citizenship rights had been restored or for a period of 5 years after they served their jail sentence. This would have kicked out many of the present racketeers who are in union office and would prevent the repetition of unions being taken over by goons and racketeers.

The bill that I supported would have prevented union officers from engaging in businesses which constitute conflict of interest with their duties as representatives of the members in collective bargaining.

This bill would have required secret election of officers. I believe that once a union member would be given an opportunity in racketeer-dominated unions to vote for honest officers, the crooks would be kicked out in the next election. I have consistently supported legislation to correct the intolerable situation that now exists in a few unions.

To digress for a moment, I think it is ironic that we found ourselves in substantial agreement, in principle at least, on virtually every point that actually involved reform. Where we differed was on the application of new and stringent restrictions upon the legitimate functions of legitimate trade unions.

For instance, in this bill we place a 30-day limit on organizational picket lines. We bar any picketing at all for a year after a union has lost a Labor Board election. One would automatically think that the application of this provision would mean what it says and apply equally to all unions. But here is where the so-called no man's land created by the National Labor Relations Board in this administration applies. This no man's land is a typical big-business concept—the concept that some companies and their workers are not entitled to the full protection of the law and the full resources of the Federal Government because they are too unimportant to bother with.

For my part, Mr. Speaker, I reject that concept. It is an offense against our moral principles as well as our democratic heritage. On Sundays we may be taught the importance of the sparrow in the field; but on weekdays, under this concept, we are to erect a dollar qualification in the path of workers' rights.

How does this bill resolve the matter? Not, as many of us urged, by insisting upon equal justice for all. No, this bill joins the National Labor Relations Board in casting out this same group of workers, in the forlorn hope that the various States will take care of their needs.

I say that every worker who wants to hold a union card and join in collective bargaining with his employer is entitled to the equal protection of the law, regardless of the size of his company. I am not ready to set up a class society in this country on the basis of the dollar sign.

Any small group of employees seeking to organize, for instance, a business establishment that does under $500,000 worth of business would be subjected to a different set of laws in different States. This will mean that the organizational picketing statute of 30 days would have no application because the Federal law is not applicable. In some States which have strong antilabor legislation, picketing might be stopped in 1 hour without giving the union any chance. In other States with more liberal labor laws, the picketing may continue many months beyond the time provided in the Federal law. We must remember that only 12 out of the 50 States have at the present time a labor relations act and the proper machinery to regulate labor-management disputes. Practically all the other States will resort to the injunction which was quite prevalent before the Norris-La Guardia Act.

The compromise provision to the proposed legislation would allow States to take jurisdiction over all cases over which the National Labor Relations Board refuses to assume jurisdiction. However, the Board will not be able to reduce its jurisdiction even further and the standards that are applicable on August 1, 1959, will remain. In each case the State will be able to apply State law to do the handling of labor-management disputes which are not subject to the National Labor Relations Board. The preferable Senate provision, which would have required the States to apply Federal law even in cases where the National Labor Relations Board ceded jurisdiction, was deleted by the conferees, over my objections. Under the Senate provision the appeal from the State courts could have been taken to the U.S. Supreme Court which would have made it mandatory that the Federal law would be applicable.

Real blackmail picketing aimed at coercing the employer into a payoff or a "sweetheart" contract is covered in another section, which I heartily support. In fact, such picketing is now illegal under both Taft-Hartley and under the Hobbs Act.

During the deliberations in the conference committee, I offered an amendment that would have exempted local unions with less than 200 members from the requirement to file reports. This appears to me a basically fair provision. When it comes to business, we exempt enterprises with less than $300,000 assets from filing SCC reports. But small local unions and lodges with the most limited assets must file detailed financial reports. A few miners in a local union or a handful of railroad workers in a remote station having no paid officials will be imposed upon to file reports which will require a CPA and a lawyer to complete. The small unions, unable to exist, will have to consolidate into large unions. Areawide bargaining will take the place of local bargaining. This is hardly what management wants. It may not be in the public interest. How much thought has been given in the bill to these and related matters?

A number of union officials and a few unions have definitely stepped out of line in their activities with the result that the need for a labor reform bill was obvious. I have consistently supported sound labor reform legislation and will continue to do so. However, I do not feel that true labor reform legislation should contain other punitive provisions. I feel the labor movement as a whole is a great force for good, perhaps the most powerful champion for progress for all the people in our Nation today.

Considering the bill as a whole, I will vote in the negative.

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, after the vote in the other body, it will, of course, be very difficult for those who vote against the conference report not to be accused of being against everything in the conference report. There are some things which, however, I am sure any fair minded person would agree with. On the other hand, I heartily endorse the remarks made by my colleague from California [Mr. SHELLEY]. I think for those of you, if there be any, who have not yet made up your minds, I would like to call specific attention to the no man's land provision, which even my good friend, the gentleman from New Jersey, admits he has reservations about. This is a further extension of section 14(b) of the Taft-Hartley law which allows State right-to-work laws. It will provide one standard for the rich unions and another standard for the poor unions. It will create confusion as to the law throughout the land.

I would refer you, also, to pages 27 and 28 of the report as to secondary boycotts

and recognition picketing. In my humble opinion, there could be written no language which is more unconstitutional than to deny the right to picket for informational purposes. I sincerely believe, if you read this language, which says you can engage in that kind of picketing so long as it does not induce somebody to prevent others from having access to a plant or company, you will quickly recognize that no organizational picketing in actuality is going to take place in the future in this country.

Let me explain, as briefly as I can, what I mean. The so-called clarifying language that came out of conference is, in my opinion, not a compromise, as is widely hailed, but is actually a semantic bribe. And no better proof exists than in the very language contained in the bill as reported by conference.

In the matter of recognition picketing the language sets forth conditions under which picketing is not permitted. Then a proviso is added that these anti-picketing provisions shall not be construed "to prohibit any picketing or other publicity for the purpose of truthfully advising the public—including consumers—that an employer does not employ members of, or have a contract with, a labor organization." This sounds better than the provisions of the Landrum-Griffin bill as passed by the House. That is, it sounds better until your read on, because the sentence then continues "unless an effect of such picketing is to induce any individual employed by any other person in the course of his employment, not to pick up, deliver, or transport any goods, or not to perform any services."

Now, Mr. Speaker, one does not have to be a lawyer or legal draftsman to see how empty and meaningless this so-called compromise language is. Surely, one can readily see how a primary employer could break such informational picketing. All he would have to do is get a fellow employer, not kindly disposed to trade unions, to instruct his secretary—say—to refuse to deliver a message to the primary employer on the pretext that her service would violate her conviction aroused by the picket line. And there you have it. The picket line would be declared unlawful. Under the provisions of the bill, this informational picketing would have to stop.

We are faced with the same language gimmick—another so-called compromise—regarding the secondary boycott provisions. Secondary boycotts are prohibited with a qualification—a conference achievement, supposedly—that is intended to offset a complete violation of the constitutional right of free speech.

And what is this language gimmick? It is this: the anti-secondary-boycott provisions have presumedly been made more acceptable by adding the language that a union can carry on publicity, "other than picketing, for the purpose of truthfully advising the public, including consumers and members of a labor organization, that a product or products are produced by an employer with whom the labor organization has a primary dispute and are distributed by another employer, as long as such publicity does not have the effect of inducing any individual employed by any person other than the primary employer in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services, at the establishment of the employer engaged in such distribution."

Here again, Mr. Speaker, the anti-union employer can easily arrange, without much fear of detection for the interruptions of the services belonging to a secondary employer and claimed to be so interrupted as the result of the union publicity campaign. The result would be that a union advertisement would suddenly be in violation of the law.

Singled out for exception to the strict hot cargo provisions are union organizations in the garment and building and construction industries. This is discrimination in reverse. While I am personally pleased to see them taken out from under what I consider highly questionable constitutional provisions, I cannot accept the premise that certain trade union groups—in either good or bad legislation—should be treated apart from the rest of the trade union movement. It is unfair to the trade union movement as a whole. I wish to emphasize a very telling fact that many legal problems lie ahead, not only for labor, but for management. The need to exempt two given trade union groups is the best argument I know to prove this point.

The secondary boycott and recognition picketing provisions play off worker against worker. And I thought this legislation had been championed by its advocates as the savior of the worker. Far from it. It is a bill designed to give employers and employer groups Government-approved tools by which they can dissipate union activity where it already exists and to prevent unionization in the cheap labor areas of the South. This, of course, is to the detriment of unionized industry in other sections of our Nation.

How ironic it is that in this Congress we have heard cries of despair that imports, produced by cheap labor abroad, are threatening domestic industries; but this hue and cry suddenly loses its color and vibrancy when these selfsame facts are turned toward the domestic scene where tariff protection does not apply.

Let us face it. This bill will accelerate the movement of industry from the industrial States of the North, Middle West and West to the low-wage areas of the South.

Mr. Speaker, on August 17 I listed a few of the pertinent reasons why I felt the Landrum-Griffin bill as passed by this body was not a labor management reform measure—which I sincerely sought—but a union-busting measure at its worst and a union-harassment measure at its best. I do not think the Conference Committee has come out with a bill that substantively changes the features I then listed.

I have already discussed "no man's land," secondary boycotts, and hot cargo, and recognition picketing. I think the record should show that other points I made at that time are equally valid today and are further proof that it is misleading to call the conference report a compromise,

First. It still imposes undue expense on the small union in its reporting requirements, and only by having the Secretary of Labor review some 40,000 cases will any of them be granted an exemption. Obviously, few, if any, will be exempted.

Second. It still contains completely inadequate reporting provisions for employers, thus failing to get at the Schefferman-type middleman.

Third. It still contains a bond provision automatically eliminating most of the eligible bonding companies, both within and outside the United States.

Fourth. It eliminates any provision that an employer's unfair labor practice may be used as a defense against a charge of illegal picketing.

Fifth. It fails to grant equal opportunity for membership in, and equal rights within, a labor organization regardless of race, color, or creed.

The right of economic strikers to vote in representation elections presumably reflects a better position than the Landrum-Griffin bill, since it was agreed in conference that such strikers can vote during a period of 1 year after a strike commences. Obviously, it would be to the advantage of a struck employer not to seek an election, following the hiring of strikebreakers, but rather to wait out the year, form a company union with the strikebreakers, and then demand an election which would result in decertification of the union whose members are on strike. Here again, we get an example of the alleged concern for the individual union member. Just another irony.

One final comment I believe is in order, Mr. Speaker. I wish to commend my colleagues, Mr. LANDRUM and Mr. GRIFFIN, for their honest statement in their press release which was issued following the agreement by the conferees. They stated:

> The bill as agreed to by the conferees after 12 days of exhaustive discussion, is basically the Landrum-Griffin bill with a few clarifying amendments.

They also commented:

> The language of the bill agreed upon by the conference follows our original pattern with only minor adjustments.

I heartily commend them for stating it in this direct and honest fashion rather than stating that a compromise had been reached.

With the President's signature assured, I can only hope that those responsible for the administration of this law will act with objectivity, common sense, and understanding of the proper purpose and objectives of the trade union movement. If this is not done, I think that we should go all the way and abolish Labor Day.

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

Mr. ROOSEVELT. I yield.

Mr. KARTH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

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

There was no objection.

Mr. KARTH. Mr. Speaker, it is with a deep sense of responsibility that I rise

in opposition to the conference report on the Landrum-Griffin bill.

I am well aware of the fact that there is need for labor reform that will rid the labor movement of crooks, racketeers, gangsters, and other illegalities. I have introduced a bill that will do this better and more effectively than the bill now before us. It is with my sincere regret that the Rules Committee originally reported a semiclosed rule which allowed but two substitutions. With that rule I supported the Shelley bill and will support it now. The Shelley bill and the Karth bill were nearly identical.

While I support labor reform, I cannot, however, stand idly by and vote for a measure that will slowly but surely annihilate many small businesses and most, if not all, small unions.

There is not one northern legislator, Republican or Democrat, who should support this measure. This bill will kill unions in the South without any doubt. I say as conscientiously as I can and with the utmost of conviction that organization in the South will be stopped dead in its tracks. It is tragic that where the standard of living needs lifting the most, where the economy shamefully drags on the progress of our entire Nation, is where the people are destined to suffer most and fastest. But that is not the purposeful end result. As the South kills the attempts of organized labor to help people shed the dregs of misery, giant industries will move to locate in those areas. Then with cheap labor for the giants let those who cannot afford to move "lock, stock, and barrel" try to compete. Small business and small industry in the North shall die on the vine like a water-starved flower in the desert. The workers of the North will starve along with small industry and small business as the South becomes industrialized.

During this transition period, small unions will be forced to join large international organizations. They will be so forced because of the impossible burdens placed upon them in addition to the legal and technical entanglements that only a lawyer or large, well-versed labor organization could provide. This, then, will in time give the enemies of organized labor great ammunition to propose antitrust legislation which will outlaw international unions. With the large internationals splintered to pieces, and with a situation existing making it impossible for small unions to survive, the end of life may very well come to the labor movement and in all probability will. Senator GOLDWATER has already publicly declared his intentions on union antitrust laws. The stage is set, the die is cast, and the fight for survival begins for small business, small labor, and labor in general as soon as this bill becomes law, if it does.

The Secretary of Labor, Mr. Mitchell, last night said the law will be enforced reasonably and with fairness. I expect this to be true until after the 1960 elections, where, if an anti labor, anti small business or anti small industry Republican administration is elected, the worm would be turned quickly, brutally, and disastrously.

This conference report on Griffin-Landrum bill, as the authors proclaim, even violates the basic fundamentals of freedom of speech.

As time goes on I feel eminently secure with the thought that a "No" vote on this bill will be the one to save posterity.

Mr. BARDEN. Mr. Speaker, I yield 7 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I feel that this is a most historic day because we—each of us—can say that he or she was a Member of the 86th Congress that had the courage and stability to pass the labor reform bill. I doubt whether many of you realize that we held hearings for months, and it is interesting to know that the conferees were in session for 22 days. I called upon the Library of Congress and asked them to do a little research for me on the length of conference sessions. I find this was the third longest session in the history of the U.S. Congress. The longest was in the 81st Congress on the Army Civil Functions bill. That was a 4-month conference. The next was in 1949 when the conferees on the Executive Reorganization Act were in session for 1 month. Your conferees on this bill sat 22 days, which makes it the third longest in the history of the Congress.

I want to pay particular tribute to the Committee on Labor, to my chairman [Mr. BARDEN], and to every Member on the other side of the aisle, and to the 10 men on my side, and to the sponsors of this bill, Mr. LANDRUM and Mr. GRIFFIN; but beyond that to those who served as conferees, sitting mornings and afternoons, trying to work out a compromise labor bill.

It was not easy, and I know that each and every one of the conferees could stand up and verify what I am going to say: Time and time again we were ready to break up and not have a bill, but then there was that good Member, whether he be Democrat or Republican, that staved off such a situation and we stayed there and worked out a bill. Now, when we go home, and I know we will, a week from tomorrow, we will say that we passed labor reform legislation that the people of this country can live under.

And will it not be wonderful to walk up and down the main street—highways and byways—and say "The Congress of the United States has acted."

And then, Mr. Speaker, I want to pay particular tribute to you. I want to pay tribute to Mr. MCCORMACK, the majority leader; I want to pay tribute to Mr. HALLECK, the minority leader, and to all the others who helped so much. This was a team play for America—this labor bill.

And when we wrap this up with the vote, and I know it will have an overwhelming majority, we can go home and say: "Mr. and Mrs. America, you can live with the labor reform bill of 1959."

Mr. BARDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, those of you who are a little in a hurry to vote might reflect somewhat upon history and recall to your minds the stories of the Roman amphitheater when the patricians sat in all their glory and luxury casting the deciding vote on the death or life of the slaves. Let us take our time on this the eve of Labor Day, on this job that is about to be done.

One wonders this day, whether the real meaning of Labor Day has not been completely forgotten during the dying days of this session of Congress.

What can labor be thankful for? Can it be jubilant about the Landrum-Griffin bill?

Can it enjoy the new place it holds in the sun where all of the slander, propaganda, and vicious attacks have put the entire membership of organized labor?

Can it be happy in knowing that when the chips were down, many of their so-called friends turned their backs and slipped the knife blade into labor unity?

Can labor be happy with the dismal record of this Congress with the economic and welfare legislation it failed to pass for the continued economic well-being of the worker and his family?

Can it reflect this Labor Day with joy upon the coming visit of the Boss Communist Khrushchev, and remember still the McCarthy hearings and the condemnation by association even if a labor leader said "Hello" to a Communist?

Can labor wonder why the steelworkers, glassworkers, rubberworkers, and 90 percent of all the unions are treated as stepchildren while a few unions are treated as citizens under the Landrum bill?

If labor wonders today whose Labor Day it is, just let them read this from the chamber of commerce:

> The efforts of groups such as the chamber's governmental affairs committee are beginning to bring results, as shown by forcing House passage of the Landrum-Griffin bill to curb labor.
>
> This action should be encouragement enough to spur each of us on to do our part to see that the battle is successfully completed.

Labor Day does not belong to free labor this day. The bands and marching feet of long ago are beginning to feel the dead weight of the chains of regimentation and Government control.

A free labor movement and a free enterprise have made this country the envy of the world. Are we now succumbing to the controlled state idea of communism?

The Honorable Ralph Gwinn, longtime Member of Congress and a Republican had this to say recently:

> Communists do not need nor intend to take us over by armed aggression from abroad. They are taking us over from within and with little resistance.
>
> Communist agents and fellow travelers, who operate our variety of socialism, are now protected in their jobs by civil service, so they continue their subversive influence regardless of which party is in power.
>
> Congress this year clamors more loudly for more government-owned property and less private freedom. The Supreme Court approves. The President compromises between talk of the free economy and approves more expenditures for socialist measures than did Roosevelt or Truman.
>
> The American people, brainwashed so long by Communist-influenced publications, radio, TV, movies, etc., do not know what is happening to them.

In my county if I had said that, Harry Pore of the Monessen Daily Independent would have torn me apart in one of his so-called editorials.

His idea of fair legislation for labor is best exemplified by the treatment he gives his political opponents. That means any Democrat who votes for decent treatment for human beings, regardless of their color, race or creed or financial status.

However, this is not an attempt to answer the drivel he prints because long ago, I learned not to get into a squirting contest with a skunk. You cannot win.

However, this Labor Day it is imperative that the people know the truth about the Landrum-Griffin antiworker bill.

Here is what it does—Harry Pore notwithstanding:

First. It stops a union from advertising against nonunion employers by picketing but they can advertise in newspapers, and so forth.

Second. No picketing by any unions except certain craft unions on construction projects. Why are some unions fish, and others fowl?

Third. No union can write contracts which protect its members from handling non-union-made goods even when said goods are made in a plant where the workers are locked out except garment workers and building trades.

This year, 1959, Labor Day, takes on a new and to many a disturbing meaning.

Historically, this day belongs to labor, a period for enumerating gains made by the workers in their long and continuing economic struggle. Most of us only know the conditions that exist in our own area, in our own employment and in some cases, a rough conception of the situation as it obtains in other areas.

Today, in making this report, I want to cover recent actions of Congress as well as some background information in order that you can have some facts that are not well known.

The problem of labor will be multiplied by the passage of legislation such as the Landrum-Griffin bill.

It is not the things that the bill does that makes it so bad, but rather the rules, interpretations, and Court decisions that will follow its passage.

Legislation is often passed because someone wants to gain an advantage over someone else. Sad but true, too much legislation has selfish interest behind its passage.

Buried deep in the Landrum bill is the hidden, but real threat to the economy of the northern and western highly organized industrial States.

Some 25 years ago, as your State Senator, I headed a committee studying the flight of industry from Pennsylvania. We had a serious problem in our textile and hosiery centers because of the exodus from Pennsylvania.

It was found without a reasonable doubt that the move from Pennsylvania was prompted by inducements offered by the Southern States on the basis of low wages and low taxes.

Now we find a great drive by the South to raid the northern industrial centers aided and abetted by the passage of legislation which can make further organization practically impossible.

Who suffers? Our district and our State.

Who benefits? Southern congressional districts and States.

How? By offering to northern manufacturers a low wage nonunion atmosphere for their plants.

As an example of this, let me quote from a letter received by one of our northern manufacturers from the mayor of a city in Mississippi:

No one will tell you whom you must employ. All detrimental State laws for industrial operations have been repealed. The closed union shop in Mississippi has been outlawed. Industrial wages are from 50 cents to 95 cents an hour below northern States.

The South has been luring industries from the North by bragging of their tax advantages and free vacant plants and their supply of cheap labor. They want to keep it that way and prevent organized labor from going into the South and raising the living standards, the wages, providing more education for the masses, and improving the general welfare of the citizens of those States. That is their idea of labor reform.

The Landrum-Griffin bill was passed by a coalition of southern Democrats and northern Republicans. The reason is not too difficult to find when you look at the economic picture. The southerners wanted industry and the northern Republicans wanted a political issue. They both got what they wanted on this score.

Congressman LANDRUM comes from Georgia. His State is one of the 19 States which have so-called right-to-work laws.

In Georgia, laws prohibit mass picketing. In Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas there is no compulsory law for workmen's compensation. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Texas have no minimum wage law. Arkansas—the home of the "great friend" of the laboring man Senator MCCLELLAN—has a minimum wage law, it is 16 cents per hour.

The Landrum-Griffin bill, as passed by the House, will guarantee the continuation of cheap labor and unbelievably poor working conditions for the workers. The northern Republican Congressmen—who voted for the bill—want to see those same conditions and wages exist in our State and all Northern States by stopping all advances on the economic front by working men and women.

As a matter of information, I present some interesting figures on annual per capita income and the rejections by the armed services of draftees from these States:

Per capita income for 10 southern right-to-work States for 1958

Alabama	$1,359
Arkansas	1,228
Florida	1,876
Georgia	1,487
Mississippi	1,053
North Carolina	1,384
South Carolina	1,218
Tennessee	1,439
Texas	1,814
Virginia	1,674
Pennsylvania	2,127

Percentage of draftees disqualified by mental and physical tests for 1957

Alabama	42.6
Arkansas	32.1
Florida	31.3
Georgia	37.0
Mississippi	49.9
North Carolina	32.4
South Carolina	49.8

Percentage of draftees disqualified by mental and physical tests for 1957—Con.

Tennessee	28.9
Texas	23.1
Virginia	31.9
Pennsylvania	9.5

The Congressmen from these States almost to a man voted for the Landrum bill. One Member, Congressman ERWIN MITCHELL, from Georgia, elected the same week as I was in a special session, opposed the bill and the threats and abuses he suffered caused him to say that he went through more h—— during the debates on the labor bill than he did as a flier in World War II. It is very significant that little or no notice was taken of this unprecedented pressure by the public press.

As usual, the people only heard about labor pressure, little was printed about the abusive and thinly veiled threats by the backers of the antilabor bill sent to many Members of Congress.

Another phase that seems to be lost in the jungle of one-sided propaganda passed out to the people, was the so-called lists of contributions to campaigns by labor organizations. Nothing has been said about the $214,250 contributed to Eisenhower's campaign by chief executives of seven steel companies, led by Armco Steel with $96,450 and closely followed by United States Steel with $26,800.

The Landrum-Griffin idea is to stop all union contributions to campaigns while allowing contributions from industry sources. You figure out who will benefit from this setup. Will you?

Too many of our businessmen, professionals, educators, and even newspapers seem to think they have no stake in this type of legislation. They do have and to a much greater degree than what they realize.

When industry moves, where do they go? Those of us who have watched the closing of the coal mines can remember all too well that without payrolls no one prospers.

Let us take these same States that are promoting the Landrum-Griffin-type legislation and see what they pay their school teachers as compared to Pennsylvania:

Alabama	$3,350
Arkansas	3,270
Florida	4,980
Georgia	3,625
Mississippi	3,070
North Carolina	3,770
South Carolina	3,305
Tennessee	3,475
Texas	4,410
Virginia	3,900
Pennsylvania	5,000

Pennsylvania teachers on an average earn up to as much as 60 percent more than these Landrum bill States.

As a member of the senate for many years I can testify to the struggles and heartaches the teachers had to undergo in our State to get even to the point they now have as salary schedules.

The teachers' salary bills in Pennsylvania always had the full-fledged support of all organized labor.

The greatest push for teachers' tenure and job security came from the United

Mine Workers and the AFL. There was no CIO in 1935–37.

These same groups pushed through the 4-year extension of the reciprocal trade agreements and now the American worker finds himself faced with an even greater threat than southern wage levels.

Following are just a few examples of foreign wages that they expect Americans to compete against:

Common labor

[Per hour]

	Construction	Iron and steel workers	Bricklayers
Japanese	$0.22	$0.27	$0.28
England	.56	.62	.65
America	2.41	2.97	4.15

Schoolteachers in Europe earn approximately $100 a month.

Is it any mystery, then, that 300 textile plants on the eastern coastline shut down, throwing 345,000 workers out of jobs?

In 1947 we exported $748 million worth of textiles, imported $24 million.

In 1955 we exported $242 million worth of textiles, imported $125 million.

So far this year we are importing more than we are exporting. Japan has had a 3-year embargo against our cars, but is shipping Japanese cars into America every day.

The importation of wire has cost us 11,000 American jobs.

In 1956 foreign cars imported were 107,000, in 1957, 400,000.

In 1956 American-made cars accounted for 57 percent of all cars imported into Brazil.

Today, the Brazilian Government with outside money—mostly from American sources—is building a $600 million plant to make its own cars. We are not opposed to this, but we do not want the cry of "high American wages" being used against American workers at the bargaining table by the very people who are investing in these foreign enterprises.

It is estimated that a large number of our great American enterprises have from 50 to 70 percent of their production overseas.

On this Labor Day we had better stop and reflect on where we have been and where we are going.

The primary consideration of any country is to provide for its own self-preservation. When a nation pursues policies injurious to its own economy, that nation is committing national suicide.

Business reports show Japan booming greater than at any time in its history. West Germany has 100,000 more jobs than job seekers, England has reduced its personal and business taxes three times since World War II.

Billions of dollars of American capital have left this country and have gone into construction of capital equipment in foreign machines which provide job opportunities and economic growth for those countries, but which do not assist the laboring man of this Nation.

When we consider that the wage rates in the United States are generally from 4 to 5 times as high as in England, and over 10 times as high as in Japan, it becomes apparent that, given the know-how and the equipment, foreign labor can produce more cheaply than can American.

It is stupid today to believe that the American laboring man is competing with ignorant, poorly trained and ill-equipped foreigners. We are now competing with people whom we have trained, people whom we have taught the skills which made this country great, and who are working in the most modern of factories which we have built.

We are now beginning to reap the whirlwind we have sown.

We are making the United States the worst place to buy and the best place in the world to sell. If we continue, we will have full employment in Manila and Tokyo and increasing unemployment in Topeka and Detroit.

In this atmosphere was dumped the Landrum-Griffin bill. With this in mind, a Member has to think long and hard and in good conscience, cast his vote for the peoples, for their jobs, their industry, their schools, their roads and parks, their health and welfare, and their public and professional services.

This is Labor Day. All the great men of history have been greater because of their feelings, their sympathy, and compassion for the workers.

This is Labor Day. The organized, the unorganized have all benefited from the struggle of courageous men and women who have led the fights for workman's compensation, overtime pay, social security, paid vacations, limited work hours, welfare and pension plans, hospitalization, and on and on and on.

These are the standards of American workers. These standards must be protected and expanded if this country is to be the leader in the world for peace and prosperity.

Our help, supported by labor, to our needy neighbors, our allies and to the world nations should be for their help not for our destruction.

Labor Day being labor's day, let us give labor a toast not a mickey finn.

The conference report is so full of inequities and personal and private concessions that its passage is a mockery of justice.

How can anyone face the public with anything but shame when he votes for a bill that says to the Clothing and Garment Workers you are a good union, an honest union, you will not hurt the economy or the public or the nonunion employer, so you can write a contract with your employer which forces him to do business with union jobbers only.

Now that is fine for the clothing workers but why should every other union in the country be subject to criminal penalties if they try to write a contract which contains the same protections for their members?

Is this the kind of justice the conferees felt this Congress believes in?

The fact that one of the sponsors of this type of legislation was, according to the newspapers, given this concession to help his garment workers unions does not justify penalizing all other unions.

Another example of special privilege and personal exemption is contained in the building trades concessions.

Mind you fellow Americans, this epic of doubletalk actually writes in a provision giving the building trades an exemption from the hot cargo ban by allowing these unions to make contracts with contractors prohibiting the use of nonunion subcontractors.

This again is fine for the building trades and I am for it, but how can any honest Member of Congress face his rubberworkers, glassworkers, steelworkers, textileworkers, and every other worker in America and say in effect "think the building trades are all good unions, they won't hurt the economy, they won't abuse their rights, but all the rest of the unions will and must therefore be legislated against."

If this is the kind of doubletalk you want, go ahead, but I do not think even a seat in Congress or a favorable editorial is worth this kind of unjust action by Congress.

Another nice gimmick worked out for political expediency and personal advancement is the provision that allows these same unions to make a closed-shop contract which compels an employer to refuse to hire any person who is not a member of a union or who refuses to join the union in 7 days.

This again is fine for these unions, but now you are saying to all the other unions in America with 30,000 locals or more and 12 million workers, if you try to make a closed shop out of your employer's plant, your employer is not permitted to sign such a contract without an election and under no consideration can he agree to force a worker into your union in 7 days, for that matter, 7 years.

In fact, this is the greatest of all giveaways when it comes to showing the utter disregard for equal and decent treatment for all workers that this bill contains.

Again, I would like to congratulate the gentleman from Michigan [Mr. GRIFFIN], one of the sponsors, whose brother is the president of a craft union because, unlike many of us with steelworkers, glassworkers, rubberworkers, and so forth, in our families, he can go home without throwing his hat in first.

Any Member of Congress who believes he is voting for legislation that does what the President of the United States, the Secretary of Labor, and those other champions of labor, the chamber of commerce and the National Association of Manufacturers, and humanitarian "I like labor" sponsors say it does by proclaiming it a bill of equal rights for labor "either can't read, won't read, or if they do read it and still believe it to be a fair and equitable piece of legislation, this America is in one awful mess, legislatively."

There has been a great deal of misinformation given to this Congress by the proponents of this legislation who proclaim that under the Taft-Hartley Act labor has grown, yet the facts remain

that organized labor, which flourished and grew under the New Deal has actually lost ground in proportion to the population during the past 6 years while its strength has been gravely undermined by numerous rulings of the Eisenhower-appointed National Labor Relations Board. It would be a brave man who could say that organized labor in the United States today has the power it had 6 years ago.

One by one, the broad programs of social advancement upon which the Federal Government embarked during the past 25 years either have been abandoned or where abandonment was impossible, have been weakened.

During the past quarter of a century the American people have built up a considerable number of institutions designed primarily to serve the broadest possible segments of the population.

Many of these people's projects, as they might be called, have been under heavy fire during the past 6 years during the Eisenhower administration and some of them might have been known to take a beating. Public works have suffered, slum clearance and housing, aid, low-income bracket workers have suffered in this regard. There is nothing left but a token program. Even against the repeated warnings, for the past 6 years, that Federal aid for education has become a desperate necessity, low teachers' salaries have caused a dangerous shortage of well-equipped instructors for the Nation's youth.

One by one, these broad programs of social advancement have been chopped away and it will not be too long until the farmers cooperatives feel the sting of this administration's lack of regard for the needs of the little peoples, and although they have been unable to destroy social security, minimum wage, and unemployment compensation which have stood out as the built-in stabilizers against depression, they have strongly ignored the need for refinements and advancements in these programs. One thing can honestly be said that in keeping the Eisenhower administration's policy of choking off public power, weakening labor, holding back social legislation in the fields of health, education, housing, and slum clearance, they have now this infamous, ill-conceived piece of legislation known as the Landrum-Griffin bill. As this administration is searching for a proper token to hand to the Communist dictator Khrushchev when he arrives in this country, I can suggest nothing that would please him more than an embossed copy of the Landrum-Griffin bill. For any Congress that would legislate a so-called bill of rights to think that the inequities, special privileges, and political concessions contained in this piece of legislation cannot honestly believe that the American labor force is a free and unfettered citizenry.

It would be, in one sense of the word, considered ludicrous for a Congress that denies its own Members the right to organize, except at the whim of a few who control the speeding time in the House on subjects of vital and mortal importance to their constituency, and denies to them the right to criticize any Member of the Senate while at the same time putting criminal penalties upon an officer of the union who would deny these same privileges and rights to any member of their organization. One wonders if a knowing American public would approve of legislation such as this if they knew all of the restrictive covenants placed upon the working force of America.

Although it appears as insignificant in this bill, there is a dangerous provision that too many of us who have come through the generation of Hitler, Mussolini, Stalin, and the rest of the dictator type, a denial of the freedom of movement and rights of a member of organized labor who is for the first time subjected to criminal penalties if he discussed with a fellow worker the proposition of refusing to go through a picket line even as a matter of simple conversation in his own home. This, then, is the labor's new Magna Carta, drafted and sponsored, endorsed and promoted by men and organizations who have devoted all of their energies to legislation throughout the years that would restrict, punish, and cripple a free American labor movement. After all of the fuss and fury has subsided, a cold, calculated, and open-minded analysis of the Landrum-Griffin bill must, in all honesty, reach the conclusion that this is a new concept of freedom of speech, freedom of action, and freedom of choice by both the unorganized and the organized workers of this country. In closing, another little noticed item that was put into this legislation by the conferees points up vitally the inequities and inequalities of the special concept of injustice that is being placed around the shoulder of the American worker: When a union is denied the right to advertise with their own homemade placards a nonunion shop or the fact that nonunion and strike goods are being sold or manufactured in a substandard plant or nonunion establishment, but he has all of the rights in the world if he can afford to advertise this fact by paid advertisements in the newspapers.

If this is the type of equality and justice that the Landrum-Griffin proponents feel is all that labor deserves, then I for one, and maybe only one, must protest by my vote. The record shows clearly and vividly and without fear of anything that I have stood foursquare in every proposal just as solidly against the proposals that would eliminate the honest rights of the American workers.

Mr. BARDEN. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Speaker, I welcome this moment to acknowledge with grateful thanks all of those who have enthusiastically and effectively supported the position which our distinguished friend, the gentleman from Michigan, and I chose to take in sponsoring this legislation. Likewise, I welcome this moment to express my deep respect and admiration for those who saw fit with equal enthusiasm to oppose our efforts, because it is out of such activity that the real product of American democracy must come.

Now that we have arrived at the best product the conferees could develop from the knowledge of each of the bodies, I beseech all of the Members of this House and all of the citizens of America to provide a wholesome atmosphere in which this legislation can live and work to the betterment of all mankind.

Mr. BARDEN. Mr. Speaker, I yield one minute to the gentleman from California [Mr. KASEM].

Mr. KASEM. Mr. Speaker, it has occurred to me that to be sure an injustice was not done a proper approach to the labor problem would have been to put joint restrictions, and the same restrictions, upon labor and management. I thought perhaps I could vote for a bill that would place the same limitation on the delegation of authority to the officers of a corporation that appear in this bill in regard to union officers. I could have perhaps voted for a bill that would place in the hands of administration blessed private bonding companies the right to veto the elected officers of a corporation as is done in this bill with unions. And so on down the line with so many of the injunctions and prohibitions on unions in these bills.

But, in fact, I do not hope for such a bill to come before us, because it would be unfair to corporations in the same manner that this bill is unfair to the labor unions and to its members.

Think along those lines and the day will come that you will see that action will have to be taken or else the organizations that represent not only the people who work for a living, but the organizations who speak, the only major organizations in America, who speak on behalf of the consumer and try to protect him, will be weakened and diminished and they will be forced to turning themselves into political organizations which is the very thing you are trying to prevent.

This bill is deceitfully presented. It does not accomplish what it should accomplish in restricting racketeering. Indeed, it only seems to be incidentally concerned with the problem of racketeering. But no opportunity is lost to burden union organizational and political activity, and this of course, the primary and principal object of this bill. Concurrent and equal restrictions should be imposed on business and management if we are to be fair. I do not advocate restrictions of this nature on business and management. Notwithstanding that the misuse of management positions for personal gain at stockholders expense would make abuses by labor leaders seem trivial, I still believe that the right of management and business to organize capital and to be active politically is of greater importance.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD.

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

There was no objection.

Mr. LIBONATI. Mr. Speaker, the 86th Congress faced an aroused public demand that a strong labor reform law be

enacted. The primary purpose was to root out corruption and racketeering. Labor constituents opposed any legislation that curtailed or curbed labor practices, which were always considered in the area of special union rights, such as the secondary boycott—a practice of blacklisting a firm that deals with another firm against which the union has its major dispute—and organizational picketing of a plant in an attempt to compel unionization, though its employees have or are already members of another union.

Both the Senate-approved bill and this House bill would attack union corruption, by requirements for financial reporting to the Government, controls on handling of union funds, and guarantees for secret balloting and free speech, with access to the courts for violations.

The tougher House bill also goes after union practices.

The evidence, from congressional mail and general inquiry, is that the Senate rackets hearings have aroused great interest and concern all across the Nation. The Congressman who wired James R. Hoffa, Teamster president, that he should resign because he was responsible for the drive for strong legislation, was reflected in the basic public appeal of the sponsors appearing on video programs.

The passage of the vigorous, or sometimes called the "killer," Landrum-Griffin bill, by a vote of 303 to 125, resulted from the pressure of public opinion aroused by the McClellan committee hearings, and the broadcasting activities of its personnel. The overwhelming impetus came with the radio-television appeal by the President for its passage. It changed public opinion and created a national demand for a tough labor reform bill.

Passage of strong legislation has been aided by the usual coalition of conservative southerners and Republicans, by a very active White House lobby working among the lawmakers, and by business pressure groups which saw here an opportunity, at long last, to swing the congressional pendulum away from its usual prolabor position.

But of almost equal importance, surely, has been a general public feeling that, somehow and somewhere, the consumer ought to have a larger say and a larger interest in economic affairs. The stalemated steel negotiations cause concern; the previous habit of high wage demands—passed on by management to the consumer—is censured for having spun the spiral of inflation. The suggestion that big unions be made subject to the antitrust laws has been recollected.

The primary demand is to root out corruption and racketeering. The secondary demand derives for other corrective measures—again due to the rackets committee hearings.

This is not typical union behavior. AFL–CIO president, George Meany, has taken strong strides to clean up the unions. The big majority of unions are run by sustantially democratic methods. Congress failed to resist the activities of some employer lobbyists who used today's public concern to turn the clock way back and inhibited even the honest organizational drives of labor where the field is clear.

But the McClellan committee has done its job well. Society is decreeing a closer watch, not only on Teamster Union practices, but on big labor in general, to be sure that it operates within agreed concepts of fair play.

Even though the Landrum-Griffin bill was toned down by the Senate-House conference committee, the final legislation, is highly potent legislation.

It is both unfortunate and fortunate that in a democracy the public mind can be influenced, propagandized or channeled into a demand for legislative action. This frenzied demand for action sometimes results in the adoption of hurried and ill-considered proposals that weaken and destroy the fundamental concepts that have been conceived and adopted after years of study by experienced law-givers who, in their analytical treatment of the subject, have kept uppermost in their minds the total effect upon the whole economy and the welfare and interests of all of the people as a whole. The Taft-Hartley law, in spite of certain criticisms, presented a model study.

It can result in changes that, under more sober conditions, would never have been made. Basic concepts of a problem or program are, in themselves, the very keystone of labor's existence.

In dealing with the interests of those affected by the legislation, certain rights were guarded and protected. But in this instance, labor became the public whipping boy. It was inevitable that, as a result, the measure before us proposes changes that will harass and cripple the labor union movement for years.

The public ordered the reform action and the edict resulted in a victory for the people. A victory that will cost years of unrest in both the political family and the economy.

Neither union leaders nor management—National Association of Manufacturers—are satisfied with the report which the House and Senate conferees have approved.

Some Members of Congress, sitting on a "hot seat", will vote approval only to escape public wrath. The few who will oppose it are representative of laboring areas, and who are honestly apprehensive of the provisions in the bill that could, if enforced, hurt, curb, and sap the future of the labor movement.

The compromise will emasculate the labor movement, and will not permit criminal practices. But it will require—

First. Union and employers to make financial reports;

Second. Union members have a bill of rights, with criminal penalties for violations;

Third. Union elections are regulated;

Fourth. Sweetheart contracts are illegal; and

Fifth. "Hot cargo" deals are illegal.

The building trades were excluded from certain provisions of the bill. Their contractual right to enter into contracts with the employer; agreeing not to deal with nonunion subcontractors—also, signing agreements before a job is started, requiring every worker to join a union within seven days. The right to picket a job where a dispute was pending like other industrial unions, was denied.

The garment industry was also excluded from certain restrictive provisions of the bill; that is, secondary boycott or picketing by unions—except where the article was produced by "low wage" production arrangements. These two exclusions may subject these provisions to constitutional attack in the courts as class legislation.

Unions can only advertise against an establishment selling unfair goods. Picket lines are illegal where there is no primary dispute.

The organizing of unions has come under terrific restrictive provisions. It is illegal if picket lines have the effect of interfering with business operations. Bargaining election must be applied for in 30 days—giving little time to organize an effective campaign. Unions cannot resume picketing for a year.

If the election is lost by the unfair practices of the employer, then the NLRB's counsel is instructed not to seek an injunction against picketing; otherwise, if not unfair, proceeds under the Taft-Hartley Act, for decision of the NLRB or the courts.

All disputes involving small business can be decided by State courts or State agencies. The provision authorizing jurisdiction to NLRB regional directors in these matters has given them a more liberal interpretation of powers. The basic rights of unions are destroyed.

It is the history of our country that no important large segment of our society was ever cajoled, harassed or betrayed by unfair laws for very long.

As to the present crisis affecting labor legislation, to be sure the issue was born by the indiscreet action and criminal practices of isolated labor leadership. It was kindled into a devouring flame of public opinion by the enemies and so-called friends of labor. The labor leaders themselves never realized the consuming effects of cleverly manipulated dissemination of public news, on the part of television and commentators. After all, it was news, and certainly created an intriguing interest on the part of millions of listeners. Some may say that a conspiracy was afoot to hamstring labor but an aroused public interest in union affairs certainly cannot be denied.

After all, the public discerns for itself the conditions that negate public good.

The conferees' report is a declaration of rigid reform, so confining in its effect as to labor operation that the movement has suffered a terrific setback, especially in the area of "strikes."

The injunctive relief and jurisdiction vested in State courts on labor questions has always been a sad reminder of the old practices of "yellow" contracts and bold-faced injunctive process of labor control of the unions by biased judges.

The real sufferers will be the Congressmen from balanced districts, especially those who have been elected to office over the years through union influence, regardless of party affiliation.

If labor shows its teeth in embittered political reaction to the forced treatment

it has received, there could be a strong bid for a laborite government in the United States, in the near future. The tremendous power in the electorate of the card holders need only be matched with the farmer, England is an example of what can happen to a conservative government.

The interference with union recruiting in unorganized labor groups of industrial workers is an area that touches the sensitive heart core of the labor movement.

The absorption of the smaller unions, under 200 members, is a foregone conclusion. The broad charters of the larger unions cover almost any type of employment.

The die is cast and the struggle is on. Whoever wins will cost the economy of the country more than a hot war.

The American people owe everything to labor that touches upon the raising of the standards of living.

The history of labor bears out the loyalty of her leaders, as well as the rank and file, to the highest of patriotic motives. It would have been far better to permit labor to purge her own shortcomings. There was no need for new laws on crime. Labor departures are no different from those punished under specific State and Federal statutes. The enemies of labor have drawn first blood and the splatter of it will eventually cover the political front.

Although certain provisions of the bill are contributory to the realization of the purpose of the legislation, I cannot in good conscience support legislation that straps labor in its efforts to organize working men and women into a unit of labor to bargain for better working conditions. They are a valuable asset to contribute to the public well-being. For a complete realization of their purposes, they must not be interfered with or constrained by Government control. It reads, plain as day, that if the Government becomes too involved in union business, unions will make the Government's business their business. Either condition is not good for the continuance of good political relations. Labor or Government cannot survive in this struggle. One is needed to support the other. Both must be free to pursue their own affairs and work together to keep the economy and Nation strong.

Labor did not deserve subjection to a slow death by partial strangulation. The hot-cargo and picketing bans insure its demise by confinement.

Mr. JENSEN. Mr. Speaker, under leave to extend my own remarks, I include the following exchange of letters:

AUGUST 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY,
President.

AUGUST 21, 1959.

DEAR MR. CAREY: In reply to your letter of August 18, I wish to remind you that the American people have once again proven they are the masters of their own destiny. Such threats as yours are most unfair to all the millions of hard-working, patriotic rank and file union members—nor do your threats impress or scare any servant of the people who is not bought and paid for by union boss racketeers.

Truly,

BEN F. JENSEN.

Mr. Speaker, the above exchange of letters followed a few days after the House of Representatives had voted on the Landrum-Griffin labor reform bill last month when 95 southern patriots joined with 134 Republicans to pass this important and vital piece of legislation.

Insofar as party responsibility is concerned I would prefer that there were always enough Republicans in the national legislature to keep some sanity in our lawmaking. However I must confess that it is comforting to have that solid corps of a hundred or so conservative votes from Dixie to count on as we try to enact legislation which is beneficial to all America.

Here are a few excerpts from a speech I made in the House of Representatives last January 9:

Mr. Speaker, the time has come to speak plainly. Many members who had the contracted support of Reuther's so-called liberal labor party were elected last November and, of course, they are expected to blindly follow orders from the organization which contributed greatly to their campaign, since they are bought and paid for.

Democrats and Republicans are hoping—yes, praying—that Congress will hold the line against those who for selfish reasons are bringing concerted pressure on us to follow their anti-American liberal concepts. Every well informed, unbiased, American citizen knows that the true definition of a "modern Reuther liberal" is one who is primarily liberal with our constitutional rights and with our taxpayers' dollar.

May God give us courage and strength to meet the test, with the outspoken support of courageous men and women here in Congress and all over our broad land.

On this the opening of the 86th Congress, I felt it in my heart to give expression—as I have here—to my innermost feelings, to be printed in the RECORD, that thousands, yea millions, might read and then do their part, and more, to preserve our precious American liberties.

I am now proud and happy to say that courageous men and women from every section of our broad land did speak up in great numbers and in no uncertain terms to again prove that the people are the masters of their own destiny.

Mr. DERWINSKI. Mr. Speaker, my absence from Washington as an official delegate of the U.S. Congress to the Interparliamentary Union Conference in Warsaw, Poland, has precluded my being able to vote on the conference report on the labor reform bill. However, I certainly want to have my position recorded on this important vote.

Labor legislation must provide the workingman, in his capacity as a dues-paying union member, with a full bill of rights, insuring the right to freedom of speech and assembly, protection from arbitrary dues, protection of rights in court and safeguards against improper disciplinary action. It must preserve the right of members to receive a true financial accounting of the activities of their union. It must protect the public from abuses exposed by the McClellan committee, while at the same time preserving the rights of legitimate unions.

Mr. Speaker, if the conference report on the labor reform bills embodies these principles, if present I would vote, "yea."

Mr. STRATTON. Mr. Speaker, the legislation before us today has been designed to meet the overwhelming demand of the American people to eliminate the kind of racketeering in the labor movement, conducted at the expense of rank and file members of unions, which has been uncovered over the past several years by investigations of the McClellan committee. While there is certainly a need to provide appropriate laws to see that this kind of racketeering is eliminated and that individuals like Jimmy Hoffa who believe they can put themselves above the law are effectively prevented from carrying on the kind of activities disclosed by the committee, I believe the American people also feel that such legislation should not penalize the overwhelming majority of unions and union members who are loyal, law-abiding, American citizens and who are sincerely and properly devoted to their legitimate function of improving the wages and working conditions of their members.

Throughout the long months that this complex subject has been under consideration by the 86th Congress, those have been the two major considerations which I have kept in mind, and I believe in so doing I am reflecting the views of the overwhelming majority of the people of my district, whether they are themselves members of union organizations or not.

When the subject of labor-management reform legislation finally came before the House last month for consideration I indicated my support for the bill officially voted out by a majority of the members of the House Education and Labor Committee, the so-called Elliott bill. I supported this bill because it had been thoroughly studied and examined in the committee and also because it seemed to me to deal with the more flagrant issues that had been uncovered by the McClellan committee without at the same time impinging on the legitimate activities of the great majority of fair and decent union organizations. When

the basic issue arose on August 13 in the House of replacing this carefully considered bill, which closely resembled legislation previously adopted by a 90-to-1 vote in the U.S. Senate, with a bill only recently introduced by the gentleman from Georgia [Mr. LANDRUM] and the gentleman from Michigan [Mr. GRIFFIN] I voted against the Landrum-Griffin substitute. When the House, in spite of my vote, decided 229 to 201 to substitute the Landrum-Griffin bill I then stated that although there were many features of the Landrum-Griffin bill which I opposed as being unfair and unnecessarily harsh toward legitimate union activity, I would nevertheless vote in favor of final passage of this bill and send it to conference with the Senate rather than vote for no labor legislation at all. I said at that time that I felt it was important that a fair and effective labor reform bill be enacted into law by Congress this year, and I also said that if such a bill were not enacted into law this year there was the strong possibility that legislation which would more drastically upset normal labor-management relations might be enacted into law next year.

I therefore voted in favor of sending the Landrum-Griffin bill to conference with the express understanding, as I said in the RECORD at the time, "That my vote does not constitute approval of many of the provisions of the Landrum-Griffin bill." I then continued, "I am hopeful that as a result of the conference a fairer bill can be worked out which will still root out the Hoffas and the racketeers in the labor movement without penalizing legitimate union organizations. I voted to send the bill to conference also with the understanding that I will definitely reserve my final vote until I have a chance to see whether the conference committee agrees to a better and fairer bill, more nearly in line with either the bill which was reported out by the House committee or the Kennedy-Ervin bill which passed the Senate earlier this year."

Mr. Speaker, I have now studied the conference report carefully since the time it was submitted the other evening and I have been very greatly impressed with the work which the conferees have done. I think it is quite clear to say, as has already been said, that the bill agreed to by all but 2 of the 14 conferees is "infinitely better" than the Landrum-Griffin bill sent by the House to conference. As has already been mentioned on this floor this afternoon, the conference bill represents about 95 percent of the original Elliott bill reported out of the House Committee, the bill which I originally strongly supported as being a fair, middle-of-the-road approach to this complex legislative problem.

I am frank to say that I do not feel happy about every single provision in the conference bill. The thing that concerned me most about the Landrum-Griffin bill was that it would make it extremely difficult if not impossible for normal and legitimate labor organization activities to be carried on in the Southern States of our country, and this fact would perpetuate the unfortunate cost differential between the States of the South and the more progressive and highly developed industrial States of the North; and as a result of this continuing differential the serious and steady flow of industry from the North to the South could be expected to continue, with even greater and more disastrous results in terms of unemployment in my State and in my district.

I am still not completely satisfied, for example, with the solution to the "no man's land" problem in the conference report, although this is a considerable improvement over the solution contained in the original Landrum-Griffin bill. It still seems to me proper in setting up a national law to govern labor-management relations, as we are doing here, that we should require that all administration of this law be in line with the provisions of the law itself. It just does not make sense to me to turn over these matters to State agencies, especially when 35 of our 50 States have no labor agency at all, and then to say that these States are not required to follow the provisions of the same Federal law which gives them jurisdiction.

But no one can probably ever be completely satisfied with any piece of legislation, and compromise is of course the essence of the legislative process. One of the things about the Landrum-Griffin bill which particularly disturbed me was the provision which would have made organizational picketing completely impossible and in practice might possibly have prevented all effective labor organization in the South. This requirement has now been eliminated as a result of the conference and I believe the solution which has been worked out, which is virtually the same solution as contained in the original Elliott bill, will now make possible proper and legitimate organizational activities by decent unions.

We have seen the conferees come up with a remarkable example of compromise and adjustment, a bill which I believe will protect union members and legitimate union activity in the overwhelming percentage of the cases and at the same time eliminate the kind of unwholesome racketeering which has come from a small minority of the labor movement and has created the public demand for this action.

Mr. Speaker, as one who represents a district which has been severely hit by foreign competition and who has spoken out on this side of the aisle in the House for promoting strict adherence to the Buy American law and in behalf of efforts to tighten that law to protect American wage standards against low-wage competition from abroad, I was particularly happy to see in the CONGRESSIONAL RECORD for September 3 in the account of the debate on the conference report which appeared in the other body the statements by the Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. KENNEDY] that the decision of the conference report would have no effect in "limiting or prohibiting the various Buy America campaigns which are now being carried on by certain unions and business groups and even by some governmental bodies." Both Members of the other body made it clear that legislation in the conference report was not intended to interfere with these proper and laudable campaigns to protect our American standards, and I am happy indeed to see that the legislative history has now been made clear on this point. I make these comments today so that the legislative history in this body may also be just as clear on this important point.

Mr. Speaker, let us not forget as we pass this legislation on the eve of Labor Day, that labor union organizations and the working men and women of America have made a tremendous contribution to the development of our country and to the development and protection of the high living standards under which we all live. This free labor movement of ours can and must continue because it is a part of the great American tradition of freedom. It will now be up to those who administer this new law to make sure that nothing contained herein will set back the clock of progress or the great effort to improve the living standards of the working men and women of America through free, legitimate, and proper union activity. I believe that every Member of this body will be watching with careful interest the practical application of this law and I hope that we will be just as eager and just as prompt in perfecting and improving it in years to come in the light of experience as we have been in adopting it this year.

Mr. HALPERN. Mr. Speaker, as one who, like many others in the House, was very concerned with some of the provisions of the labor-management reform bill that passed this body, I am pleased to see that some of the apparent inequities have been corrected in the Senate-House conference. I expressed my concern in this respect pointing to specific provisions in an individually written appeal to the conferees during their deliberation.

I am particularly impressed with the revision of the secondary boycott section which excludes from the application of the new coercion-of-employers clause, the garment industry.

I am very interested in this industry and I am a stanch admirer of the vast strides made in it through collective bargaining and, the great alleviation of sweatshops and substandard working conditions that the garment workers unions have accomplished.

That is why I wish to particularly commend the conferees for their decision to remove that industry from the application of the new section 8(e) of the National Labor Relations Act.

Of all the industries in the Nation the garment industry was one of the most susceptible to employer evasions of agreements. It was particularly difficult for unions to police competition from sweat shops because employers hired jobs out to hidden lofts and received back the finished product before the unions could catch up with them. By the time they did, a jobber might already have given another lot to a different sweat shop.

Consequently, low wages and terrible working conditions at one time characterized the industry. But the garment workers unions and responsible employers came to learn that the practice could be checked only if manufacturers

would agree not to do business with contractors who had not signed union contracts.

Inhuman working conditions for most garment employees were immeasurably alleviated. This magnificent accomplishment reflects great credit on the unions and on fairminded employers.

Unfortunately, the House version of the bill as originally introduced, would have imperiled this fine achievement. It would have made it unlawful for a union to threaten, coerce or restrain any employer where the object was to force such employer to agree to cease doing business with any other person. Such a provision would have wiped out at one stroke the gains registered in the garment industry.

Therefore, the conference report language exempting the garment industry from the interdiction against coercing an employer from handling the products of another or from doing business with another is a welcome one indeed. The garment unions can continue to make agreements with jobbers not to contract out work to subcontractors using nonunion labor.

Commendable as this correction is, Mr. Speaker, there are other provisions about which I am still concerned. In this regard I agree with Senator KENNEDY that the bill goes further in some areas than I think desirable or necessary. But, this is the only bill it is possible to obtain under all the circumstances.

I will keep a close watch on how the new legislation works and will press for any necessary amendments to correct injustices so that reasonable law for the protection and benefit of all Americans will eventuate.

Mr. SMITH of Iowa. Mr. Speaker, the conference report which we are now to vote upon substantially adopts the Kennedy-Elliott bill and certainly supports the position of such bill against both extremes. Dr. Archibald Cox has worked with this legislation more than any other person. He has been an adviser to the Senate committee and the conferees and is one of the foremost labor law authorities. He proclaims that the bill is closer to the Kennedy-Elliott bill than any other bill, and, of course, that bill was patterned after the original Kennedy-Ives bill. So we can see that most of the demagogery that was thrown into this matter during the past 2 years by both extremes has been largely separated and eliminated in the final product.

I do hope that reflection upon the diverting, unreasonable, inappropriate activities and actions of extremists will help prevent stampeding in the legislative process in the future. Reflection upon this whole process and activity certainly strengthens the arguments against a unicameral National Legislature where legislation adopted under feverish, intemperate conditions would become law without an adequate opportunity for review.

I do still have some serious reservations concerning this bill and especially with regard to leaving so many businesses and their employees without the protection and service of the National Labor Relations Board. These businesses and employees which were in no man's land are discriminated against; but, they also are being discriminated against at the present time. I am glad that the committee is agreed that this matter needs to be watched closely. The conference report does greatly improve the Landrum bill provisions on no man's land by prohibiting the NLRB from withdrawing its protection and service from any additional classes or categories of businesses and employees.

There are a couple of provisions that undoubtedly will become subject to court suits as unconstitutional and probably upheld; but, in a bill of this size, that is not too uncommon and those court actions will eventually result in improving and contributing to the body of labor law.

There are also some provisions in the bill which correct inequities against working people that have been recognized and recommended for several years.

With 437 Members in the House, no Member can expect a bill to be exactly what he would prefer. One must vote either "yes" or "no" and cannot vote "yes, with certain amendments."

I, like the majority of Members, want a law passed that will provide corrective but not "killer" legislation; and I believe this bill is the best that can be expected at this time.

Mr. DONOHUE. Mr. Speaker, the compromise judgment of the House and Senate conferees, on the Labor-Management Reporting and Disclosure Act of 1959, is finally before us and, although many of us here may still have conscientious doubts about the extreme nature of a few provisions, it is now, on the whole, worthy of the acceptance of this House.

After many days and nights of laborious, painstaking, and wearisome discussions, the members of the conference committee, with patriotic dedication have overwhelmingly approved a modified bill representing concessions by reasonable men on both sides.

The compromise solution that was developed is, in my opinion, a vindication of those of us who consistently from the beginning worked and voted toward this objective.

In all the understandable excitement that has surrounded this legislative problem this year, it seems to have been rather widely forgotten that this controversy was considered in the last 85th Congress, of which I was privileged to be a Member. I would like to remind you that the Senate, on June 17, 1958, passed by a vote of 88 to 2, S. 3974 of the 85th Congress, the Labor-Management Reporting and Disclosure Act of 1958. On July 23, 1958, as the 85th Congress was approaching its end, I urged the leadership to take appropriate action for "this labor-management reform bill to be presented to the House before adjournment so that it may be discussed, debated, and acted upon in accord with our democratic legislative traditions." Further, in the course of my remarks on that day, I stated that—

> As conscientious legislators it is our duty to closely examine these pressures (from labor and management) and concentrate our attention upon the enactment of a reasonable compromise designed primarily to inspire observance of the law with good will because of its essentially important nature.

Mr. Speaker, in response to the urging of myself and many other colleagues, S. 3974 was presented to this House, under suspension of the rules, on August 18, 1958. Mr. Speaker, I, and 197 other Members, voted in favor of the measure, but it failed of passage because of the two-thirds requirement.

In my judgment, if the passage of that bill had not been blocked by a partisan coalition, for dubious purposes, we would have had, then and there, a reasonable law to effectively curb unscrupulous individuals and eliminate corrupt practices revealed by the Senate investigating committee. The passions and the prejudices leading to the bitter and extreme controversy that has recently occurred here over this matter would have been avoided in the national interest and the vitally important economic area of labor-management relations would be much healthier today.

As we are all only too well aware, the extremists of both labor and management, with their advocates, set the tragic stage for a fatiguing legislative battle in both Chambers of this Congress. At the end of that unhappy struggle, it appears that despite the patriotic spirit of the compromising efforts of over 200 Members here a measure of too punitive impact upon the legitimate activities of labor and management had been approved by the slight margin of 28 votes. Ironically, it seemed that those who cried the loudest for the protection of the public had unwittingly constructed a legislative provocation for labor and management to become embroiled in the most bitter and divisive struggle in our history; a struggle that could shake the foundations of our economic stability into a disastrous shambles at the most crucial period of our national life and on the eve of the visitation of the leader of our Communist enemy to this city.

Ironically some of these same extremists, who spoke, not too long ago, in such eloquent reverence of the late coauthor of the Taft-Hartley Act seem to have completely forgotten that that great patriot and statesman, Senator Robert A. Taft, had publicly admitted and openly proclaimed his intention of seeking the modification of certain provisions of his own law; the same provisions that they were perseveringly determined would not be changed in any fashion whatsoever. In memory of that good and dedicated man, we are impelled to ask ourselves—how fleeting is fame and how unmindful we can be of recognized authority and wisdom.

Mr. Speaker, fortunately for this Nation, the calm, temperate efforts of the reasonable men on the conference committee have worked out a modified measure under the most trying circumstances that can challenge any patriotic legislative group. The compromise judgment that has been developed is the fullest legislative response that can be obtained

to the public demand for reform in current labor-management activities.

Mr. Speaker, over the 2 years of this controversy I have consistently and publicly stated my desire and objective to be the enactment of the most reasonable legislation possible to constrain effectively the "crooks and gangsters" and eliminate the unscruplous practices, as revealed by the Senate Investigating Committee, from and within the area of labor-management activities, while at the same time protecting and preserving their legitimate operations in our economic society. The most acceptable approach to this objective, in reply to the public demand, is now before us in the form of the final legislative conscience of the U.S. Congress. Let us each, in accord with our patriotic principles, heed the voice of that conscience.

Mr. MONAGAN. Mr. Speaker, I am glad that Congress will soon pass a labor law. I shall wholeheartedly vote for its passage. It is not the bill which I would have written myself, nor do I agree with its provisions in every regard, although in many respects the conference has improved the separate versions of the House and Senate. Nevertheless, I feel that it is vital for the Congress to pass an adequate law at this session to satisfy the demand of the American people for firm action to curb abuses in the labor movement. With the bill which the conference has presented, I believe that we shall satisfy this demand.

This law will have no effect upon the growth of the American labor movement, but it will give an added protection to individual members against unscrupulous leaders.

Mr. BOLAND. Mr. Speaker, I am going to support the conference report on the labor-management reform bill before us. The American people and the great majority of my constituents in the Second Congressional District of Massachusetts have demanded that a reform bill be passed in this session of Congress after witnessing the shocking and sickening revelations of the McClellan committee during the last 2½ years.

I said before when this issue was before the House that the abuses revealed by the McClellan Committee must be stopped and we must enact legislation that will put an end to the thugs, the goons, and embezzlers who have been nefariously engaged in bilking the rank and file of American labor, cheating and defrauding the labor unions, management, and the general public.

Mr. Speaker, I will vote for the bill because I am sure that it will correct these abuses. It is the only bill that is possible to obtain this late in the session of Congress. The conferees lead by my Massachusetts colleague, Senator JOHN F. KENNEDY, are to be complimented for the long hours during which they labored for 12 days arriving at this compromise, which, Senator KENNEDY has explained, will protect the traditional and essential rights of the working people of America legitimately striving to improve conditions of employment.

Mr. VANIK. Mr. Speaker, I am opposed to the conference report on S. 1555, the Labor-Management Reporting and Disclosure Act of 1959, because it contains provisions which I believe will prove extremely harmful to the legitimate procedures of labor organizations.

I also fear that it will prove to be an industry dispersion bill, providing inducements never anticipated to lure industry from the organized labor areas concentrated in the large industrial cities of the North.

The Southern States will press their claim with new vigor in luring northern industry with low-cost labor.

The provisions which permit the States to assume jurisdiction in the so-called no man's land in labor disputes are invitations for the States to guarantee industry statutory immunity from effective labor organizational activity. Thirty-five States have no adequate labor laws. They will endeavor to outbid each other for the reputation of having the most severe antilabor laws and the most favorable atmosphere for industry.

The failure of the conference report to provide that the State courts and agencies would administer the Federal law constitutes, in my opinion, its most patent failure.

Organizational picketing gave labor its most useful organizational tool and resulted in the success of the labor movement throughout the North. The limitation on organizational picketing in the conference report will result in further discriminaton against efforts to organize labor where it is not presently organized—a further advantage to the low-cost labor areas.

It is my considered judgment that this bill, ostensibly created to eliminate and curb labor corruption, will prove to widen the schism between management and the overwhelming number of legitimate labor unions.

Instead of creating an atmosphere of balance and understanding between these vital segments of our economy, it may well prod them toward opposite goals. Conflicts between labor and management could be encouraged. Strikes and lockouts could become more common. The productive and prosperity goals of the Nation could suffer.

Management has newly gained powers under this bill which it may use selfishly or with wisdom. It is my hope that it will exercise puntive powers with greater restraint than past history indicates. With this legislation, management has scored a great victory. It will prove only temporary unless its added discretion is temporized with humane understanding.

Mr. BATES. Mr. Speaker, the major provisions of this bill now before us in the form of a conference report has been debated at great length and carefully scrutinized in conference. It is important, however, to determine the intent of the Congress in those areas which have not been spelled out in detail so that the legislative history will be clear.

As you know, our Government has instituted a policy of buy American. Management and labor throughout our country have also adopted campaigns, in various forms, to implement and augment the Federal laws on this subject to protect the capital investment and jobs of our people. I was pleased to note that on yesterday, in a colloquy in the other body, the Senator from Arizona [Mr. GOLDWATER], and the Senator from Massachusetts [Mr. KENNEDY], agreed that this conference report in no way was intended to interfere with such practices. This was certainly my understanding of the report recognizing, as I do, the fine efforts of many industries including the hat, shoe, and textile industries, to maintain American standards in the face of substandard wages abroad.

In brief, there was nothing in the Taft-Hartley Act, nor is there anything in this new labor reform act, which impairs or diminishes in the slightest degree the right of employers and their associations or employees or unions to seek to protect the job security and labor standards from the competition of foreign-made goods imported into this country. As American citizens, they have the right to conduct campaigns such as are now being conducted throughout the country, to promote the sale of American-made products. They have the right to seek and to secure agreements in which promises are given to buy American goods. For example, a union may carry on a campaign to protect the labor standards of American workers from being undermined by the competition of goods which are made behind the Iron Curtain or in any other foreign country and may secure and enforce agreements with employers, wholesalers, and retailers to buy American-made products only. Nothing in this bill prohibits such campaigns nor prohibits the enforcement of such agreements reached thereby by court action, arbitration, or the traditional means of unions to enforce any other type of agreement.

I support this bill and urge its adoption.

Mr. OLIVER. Mr. Speaker, even if there were no other reasons for me to vote against the pending conference report on the so-called labor-reform bill, I would vote against it solely because of the economic discriminations and disadvantages which are certain to develop against the economy of Maine and New England as a result of the "no man's land" area of labor-management disputes jurisdiction.

The economic advantages which are guaranteed to the Southern States by the provisions of the conference report have been covered in detail by several of my colleagues. The "pirating" of the New England textile industry by the Southern States, over the past several years, has been accomplished by reason of the low-wage levels and lack of statutory and collective-bargaining requirements for decent working conditions in these States. Naturally, there has been almost unanimous support by Southern Congressmen for the punitive and restrictive labor-organizational provisions of the Landrum-Griffin proposal and its 90-percent acceptance by the House and Senate conferees. Wage levels and working conditions cannot be improved without strong, aggressive union organization in the South. This conference report nails down, by congressional fiat, the economic advantages of the South over the northern industrial States. In short, this Landrum-Griffin conference report

is a legislative license to procure northern industry and jobs. Does any industrial manager in Maine think for 1 minute that any State where there is a State minimum wage law of 16 cents per hour, is ever going to increase that minimum to Maine's $1 per hour requirement, as long as NLRB denied jurisdiction over labor disputes and proceedings is taken over by the State courts of that State? Do any of the industrial managers of Maine or the members of the chambers of commerce of our communities, who have pressured me to vote for the Landrum-Griffin shackles for labor organizations, think for 1 minute that States where there are no compulsory laws for workmen's compensation, are going to be forced to adopt such 20th century protection for labor unless and until strong and aggressive labor organizations force the issue?

I would expect, Mr. Speaker, that every businessman in Maine, who applied the pressure on me to vote to curtail the organizing activities of unions, has on many occasions, expressed his opposition to the low wage levels and substandard working conditions of the South and yet these same leaders of industry in my State condemn me for voting against legislation which will perpetuate these unfair and substandard advantages which have so effectively undermined the Maine economy. Certainly, I was not elected to Congress to liquidate further our already diluted Maine industry and the sadly decreased number of jobs which it provides.

It is my sincere conviction that a vote for the Landrum-Griffin conference report was a vote to speed the flight of industry from the North to the largely unorganized South. Maine and New England industry will really get the "sales pitch" now to move into not only the unorganized, but also, the never-to-be-organized South.

Another strongly motivating factor in my vote against the Landrum-Griffin conference report was the open invitation for the powerful unions of the Nation to take over the small, struggling unions. Under the terms of this conference agreement, only the well-entrenched international unions with great assets and legal talent will be able to meet the legal delays, the legalistic entanglements and the slanted anti-labor decisions of State courts, operating under State statutes and decisions. This, in turn, means that small unions who cannot afford to fight against these handicaps will be absorbed by the big unions which have caused the people of America, who have been getting this anti-labor brainwashing over the past several years, to demand so-called reform legislation. The Landrum-Griffin conference report is not corrective—it is punitive and destructive of legitimate union activities.

Another inevitable result, in my opinion, of the adoption of this Landrum-Griffin conference report, will be encouragement and opportunity for racketeers and crooks to take over official leadership of small unions. Dedicated, honest union leaders, confronted with almost impossible duties of mandatory detailed financial reports and faced with criminal penalties, if found in violation of the so-called bill of rights of union membership, will refuse to expose themselves to the abuse of stooges, agitators, Communists, drunks and hired wreckers of their union organizations. They will resign and the type of leadership which the exposures of the McClellan committee publicized to the Nation will take over in increasing numbers. This probability is not good for anybody in America, for it is not good for the working men and women of America.

As I see the picture, Mr. Speaker, the adoption of this Landrum-Griffin conference report leads in only one direction. It is just one more step toward more restrictive labor legislation. The U.S. Chamber of Commerce, the National Manufacturers Association, speaking and acting for big business with their appetites for further labor control whetted by this victory, will press for the ultimate victory; namely, a national so-called right-to-work law and then, the antitrust stranglehold for which they are really aiming. Many of them have already so stated. The program of big business in America is not only to control financially and economically, but also politically. Strong labor unions now stand in the way of their objective just as America and the free world stands in the way of Khrushchev and his totalitarian power.

The Taft-Hartley law, and its maladministration for these past 6½ years, by the National Labor Relations Board, through its big business-administration appointees, has served as a brake to slow down the growth of labor organizations, which otherwise, today, would have numbered far more than the now organized 18 million of the total 67 million working men and women of America. If Taft-Hartley had not replaced the real magna carta of labor, the Wagner Labor Relations Act of the depression days, organized labor would have been far more effective in gaining equalization with the power of big business and accordingly would have been far more effective in the Congress. The Landrum-Griffin conference report will not only slow down further the growth and strength of the trade-union movement, but it will eventually lead to the more repressive developments to which I have referred; namely, the so-called right-to-work laws on a national scale and then, the crowning blow, the antitrust knockout punch. This will mean the breakdown of American democracy.

As long as I am a Member of this House, Mr. Speaker, my vote will never be recorded for legislation which makes illegal the economic weapons which the working men and women need, to fight for and get their fair share of the production of this great productive plant which is known as industrial America.

Mr. Speaker, I am opposed to and shall vote against this Landrum-Griffin conference report.

Mr. GRIFFIN. Mr. Speaker, I do not propose to discuss in detail the provisions of the conference report, a few brief comments on several sections of the bill might be helpful in clarifying legislative intent.

Section 101(a)(4) of the bill of rights is designed to protect the right of a union member to resort to courts and administrative agencies. The proviso which limits exhaustion of internal remedies is not intended to impose restrictions on a union member which do not otherwise exist, but rather to place a maximum on the length of time which may be required to exhaust such remedies. In other words, existing decisions which require, or do not require, exhaustion of such remedies are not to be affected except as a time limit of 4 months is superimposed. Also, by use of the phrase "reasonable hearing procedures" in the proviso, it should be clear that no obligation is imposed to exhaust procedures where it would obviously be futile or would place an undue burden on the union member.

Furthermore, the proviso was not intended to limit in any way the right of a union member under the Labor-Management Relations Act of 1947, as amended, to file unfair labor practice charges against a union, or the right of the NLRB to entertain such charges, even though a 4-month period may not have elapsed.

The last proviso in section 101(a)(4) was added to make sure that interested employers do not take advantage of rights accorded union members by encouraging or financing harassing suits or proceedings brought by union members against their unions. The purpose of the proviso should be kept in mind and it should not be so narrowly construed as to impose unnecessary or unintended restrictions upon employers in their relationship with their employees. For example, the language does not prevent, and there is no intent to preclude, an employer from encouraging his employees to write or otherwise communicate with their Congressman or legislators concerning legislation.

Section 201(d) repeals the reporting and non-Communist affidavit filing obligations of section 9 (f), (g), and (h) of the Taft-Hartley Act. This provision will become effective upon enactment of the bill. However, the repeal of these sections does not have a retroactive effect and is not intended to excuse any previous failure to comply therewith.

Section 701(b) authorizes the National Labor Relations Board to delegate to its regional directors certain powers under section 9 pertaining to representation elections. Two safeguards are included to make certain that regional directors precisely follow Board rules and policy regarding representation cases. These are, first, the explicitly stated right of the Board to review any action of a director delegated to him under the section; and second, the permissive nature of the delegation. The latter would allow the Board to withdraw the delegation from a director who refused or failed to follow Board policy in such matters. It should be emphasized that the section relates only to representation matters and is not intended in any way to alter the present supervisory authority of the General Counsel over regional directors and their staffs.

Section 702 relaxes the present ban on voting by economic strikers in representation elections. Two limitations are imposed: First, economic strikers are not to be eligible to vote after 12 months

from the commencement of the strike; and second, they shall be eligible prior to that time only in accordance with regulations established by the Board consistent with the purposes of the act. In other words, a maximum length of time is established but the Board may limit the right by regulations consistent with the purposes of the act.

Section 704(c) is an amendment to the Taft-Hartley Act dealing with organizational and recognition picketing. It bans such picketing in three instances:

First, where the employer has lawfully recognized another labor organization and an election under section 9(c) is barred.

Second, where a valid representation election under section 9(c) has been conducted within the preceding 12 months. Any valid election is sufficient; the picketing union need not have been on the ballot. Otherwise, this subsection could easily be avoided through picketing by different locals of the same international union.

Third, where picketing has been conducted beyond a reasonable time (not more than 30 days) from the commencement of the picketing without a representation petition having been filed. Of course, the picketing may be enjoined in less than 30 days if the Board finds the circumstances are such as to make it unreasonable to permit it to continue and it must be stopped at the end of 30 days. The second proviso to the subsection makes an exception of picketing or other publicity directed to consumers which is for limited purposes and which does not have the effect of inducing employees of others to refuse to cross the picket line to make pickups and deliveries and to perform services. Any type of publicity, including picketing, which has this effect is not protected by the proviso. The proviso pertains to subsection (c) only and therefore consumer appeals for organizational or recognition purposes are banned after an election.

Mr. BARDEN. Mr. Speaker, I hope the few brief comments which I am about to make on several sections of the bill, which are in addition to those I have already made, will be helpful in clarifying legislative intent.

With reference to section 701(b), it is clearly intended that the regional directors in making any decisions or rulings pursuant to a delegation permitted by that section would be subject to and bound by the various precedents and rules and regulations established by the Board and, furthermore, an appeal to the Board is provided to prevent and/or remedy any abuse of discretion or departure from Board precedent or Board rules and regulations by the regional directors.

Section 501 imposes fiduciary responsibilities and obligations upon the officers, agents, shop stewards, and other representatives of a labor organization and provides that such persons occupy a position of trust in relation to such organization and its members. The McClellan committee recommendations on regulation and control of union funds specifically stated that:

Since union dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.

Section 501 is intended to meet the needs, purposes, and objectives set forth in the McClellan committee recommendations which I have just quoted. The language of section 501 clearly and unmistakably carries out that intent.

The general principles stated in section 501 are familiar to the courts, both Federal and State, and therefore incorporate a large body of existing law applicable to trustees and a wide variety of agents. The purposes for which funds of a labor organization may be expended or invested will necessarily therefore, be restricted and limited by such existing law regardless of any provision in the constitution, bylaws or resolutions of a labor organization purporting to limit the application of such law.

Section 702 only restores the law with respect to voting of economic strikers to what it was prior to the enactment of the National Labor Relations Act of 1947, as amended, with the qualification, however, that after the expiration of 12 months after the commencement of the strike, economic strikers not eligible for reinstatement, would lose such right to vote as they may have had prior to the expiration of such 12-month period. Prior to 1947, the Board sometimes permitted either the strikers, the replacements, or both the strikers and replacements to vote depending upon all the circumstances. It is important to note that section 702 does not give employees engaged in an economic strike who are not entitled to reinstatement an unqualified right to vote. Rather this section provides that they shall be eligible to vote only under such regulations as the Board shall find are consistent with the purposes and provisions of this act and then only if the election is conducted within 12 months after the commencement of the strike.

Impressive evidence was presented to the labor committees of both Houses of Congress with respect to the devastating injury to the businesses of employers, the jobs of employees and the welfare of the public, which has often resulted from the blackmail organizational and recognition picketing activities engaged in by certain labor organizations.

The purpose of the proviso to paragraph (C) of section 704(c) which states that when such petition has been filed the Board shall forthwith direct an election, is to enable an employer or the employees to obtain a prompt election instead of having to go through an indefinite and prolonged period of picket line warfare which could have the effect of placing the employer's business and the jobs of his employees in jeopardy.

Such being the problem dealt with, it was not the intent that this proviso, which was added in conference, should be used as a device or subterfuge by a picketing union to bring about a prehearing or so-called quickie election.

Therefore, in all cases, it will be appropriate for the Board to investigate as to whether a labor organization is using the picketing as a device simply to bring about a prehearing election. Where the Board has reason to believe that this is the intent of the petitioning labor organization, the Board will be under a duty to direct the petitioner to follow the provisions of section 9(c)(1), and to afford the opportunity for a hearing. The right to a hearing is a sacred right and it should not be denied where such denial would lend support to a subterfuge.

Mr. BARDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. THOMPSON of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 352, nays 52, answered "present" 1, not voting 30, as follows:

[Roll No. 162]

YEAS—352

Abbitt	Cannon	George
Abernethy	Carnahan	Giaimo
Adair	Casey	Glenn
Addonizio	Cederberg	Goodell
Albert	Chamberlain	Grant
Alexander	Chelf	Gray
Alford	Chenoweth	Green, Oreg.
Alger	Chiperfield	Griffin
Allen	Church	Griffiths
Andersen, Minn.	Clark	Gross
	Coad	Gubser
Anderson, Mont.	Coffin	Hagen
	Cohelan	Haley
Arends	Collier	Halleck
Ashley	Colmer	Halpern
Ashmore	Conte	Hardy
Aspinall	Cook	Hargis
Auchincloss	Corbett	Harris
Avery	Cramer	Harrison
Ayres	Cunningham	Hays
Baker	Curtin	Hébert
Baldwin	Curtis, Mass.	Hechler
Barden	Curtis, Mo.	Hemphill
Baring	Daddario	Henderson
Barr	Dague	Herlong
Barry	Daniels	Hess
Bass, N.H.	Davis, Ga.	Hiestand
Bass, Tenn.	Davis, Tenn.	Hoeven
Bates	Denton	Hoffman, Ill.
Becker	Derounian	Hoffman, Mich.
Beckworth	Devine	Hogan
Belcher	Diggs	Holt
Bennett, Fla.	Dingell	Horan
Bennett, Mich.	Dixon	Hosmer
Bentley	Donohue	Huddleston
Berry	Dooley	Hull
Betts	Dorn, N.Y.	Ikard
Blitch	Dorn, S.C.	Irwin
Boggs	Dowdy	Jackson
Boland	Downing	Jarman
Bolling	Doyle	Jennings
Bonner	Durham	Jensen
Bosch	Dwyer	Johansen
Bow	Edmondson	Johnson, Colo.
Bowles	Elliott	Johnson, Md.
Boykin	Everett	Johnson, Wis.
Boyle	Fallon	Jonas
Brademas	Fascell	Jones, Ala.
Bray	Feighan	Judd
Breeding	Fenton	Kastenmeier
Brewster	Fisher	Kearns
Brock	Flynt	Keith
Brooks, La.	Fogarty	Kelly
Brooks, Tex.	Foley	Kilburn
Broomfield	Forand	Kilday
Brown, Ga.	Forrester	Kilgore
Brown, Mo.	Fountain	King, Calif.
Brown, Ohio	Frazier	King, Utah
Budge	Frelinghuysen	Kirwan
Burke, Ky.	Friedel	Kitchin
Burke, Mass.	Fulton	Kluczynski
Burleson	Gallagher	Knox
Bush	Gary	Lafore
Byrnes, Wis.	Gathings	Laird
Cahill	Gavin	Landrum

Lane	Norrell	Simpson, Pa.
Langen	O'Brien, Ill.	Sisk
Lankford	O'Hara, Ill.	Slack
Latta	O'Hara, Mich.	Smith, Calif.
Lennon	O'Konski	Smith, Iowa
Levering	Osmers	Smith, Kans.
Lindsay	Ostertag	Smith, Miss.
Lipscomb	Passman	Smith, Va.
Loser	Patman	Spence
McCormack	Pelly	Springer
McCulloch	Pfost	Steed
McDowell	Philbin	Stratton
McFall	Pilcher	Stubblefield
McGinley	Pillion	Sullivan
McGovern	Pirnie	Taber
McIntire	Poff	Taylor
McSween	Porter	Teague, Calif.
Macdonald	Preston	Thomas
Mack, Ill.	Pucinski	Thompson, La.
Mack, Wash.	Quie	Thompson, N.J.
Magnuson	Quigley	Thompson, Tex.
Mahon	Rabaut	Thomson, Wyo.
Mailliard	Rains	Thornberry
Martin	Randall	Tollefson
Mason	Ray	Trimble
Matthews	Reece, Tenn.	Tuck
May	Rees, Kans.	Udall
Meader	Reuss	Ullman
Merrow	Rhodes, Pa.	Utt
Metcalf	Riehlman	Van Zandt
Michel	Riley	Vinson
Miller, Clem	Rivers, Alaska	Wallhauser
Miller,	Rivers, S.C.	Walter
George P.	Roberts	Wampler
Miller, N.Y.	Robison	Watts
Milliken	Rodino	Weaver
Mills	Rogers, Colo.	Weis
Mitchell	Rogers, Fla.	Wharton
Moeller	Rogers, Mass.	Whitener
Monagan	Rogers, Tex.	Whitten
Montoya	Rostenkowski	Widnall
Moore	Roush	Williams
Moorhead	Rutherford	Willis
Morris, N. Mex.	Saund	Wilson
Morris, Okla.	Schenck	Winstead
Morrison	Scherer	Withrow
Moss	Schwengel	Wolf
Moulder	Scott	Wright
Mumma	Selden	Yates
Murphy	Sheppard	Young
Murray	Shipley	Younger
Natcher	Short	Zablocki
Nelsen	Siler	
Norblad	Simpson, Ill.	

NAYS—52

Bailey	Green, Pa.	Nix
Barrett	Harmon	O'Neill
Blatnik	Healey	Oliver
Buckley	Holland	Perkins
Burdick	Holtzman	Price
Byrne, Pa.	Inouye	Prokop
Celler	Johnson, Calif.	Rooney
Dawson	Karsten	Roosevelt
Delaney	Karth	Santangelo
Dent	Kasem	Shelley
Dollinger	Kee	Staggers
Dulski	Keogh	Teller
Farbstein	Kowalski	Toll
Fino	Libonati	Vanik
Flood	Madden	Wier
Flynn	Meyer	Zelenko
Garmatz	Morgan	
Granahan	Multer	

ANSWERED "PRESENT"—1

Saylor

NOT VOTING—30

Andrews	Ford	O'Brien, N.Y.
Anfuso	Hall	Poage
Baumhart	Holifield	Powell
Bolton	Jones, Mo.	Rhodes, Ariz.
Broyhill	Lesinski	St. George
Canfield	McDonough	Sikes
Carter	McMillan	Teague, Tex.
Cooley	Machrowicz	Van Pelt
Derwinski	Marshall	Wainwright
Evins	Minshall	Westland

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Westland for, with Mr. Saylor against.

Mr. Machrowicz for, with Mr. Powell against.

Mr. Teague of Texas for, with Mr. Anfuso against.

Until further notice:

Mr. Lesinski with Mr. Baumhart.

Mr. Holifield with Mr. Van Pelt.

Mr. Sikes with Mr. Wainwright.

Mr. Evins with Mr. Minshall.

Mr. Hall with Mr. Derwinski.

Mr. O'Brien of New York with Mr. Broyhill.

Mr. McMillan with Mr. Rhodes of Arizona.

Mr. Carter with Mr. Ford.

Mr. Cooley with Mr. McDonough.

Mr. Andrews with Mrs. St. George.

Mr. Marshall with Mrs. Bolton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT

The SPEAKER. The Chair thinks that the Members ought to know that if the Senate overrides the veto of the President on the housing bill, an attempt will be made to override it in the House today.

INTEREST RATE ON SERIES E AND SERIES H U.S. SAVINGS BONDS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 376 and ask for its present consideration.

The Clerk read 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. 9035) to permit the issuance of series E and H United States savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. That 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 Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. 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, with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and to myself such time as I may need.

Mr. Speaker, this resolution makes in order the consideration of the bill (H.R. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes. That is a bill lifting the ceiling on the interest rate on E- and H-bonds in order to relieve the present distressed condition of the U.S. bond market. It goes no further than consideration of that one question, lifting the interest ceiling on the E- and H-bonds.

As is the case with all tax bills, this bill comes to you under a closed rule which provides 2 hours of general debate, after which the bill will be considered as having been read. It is not subject to amendment but is subject to one motion to recommit with or without instructions.

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this rule makes in order H.R. 9035, a bill to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

Several months ago the President of the United States sent a message to the Congress requesting legislation to, first, raise the interest rate which the Government pays on its savings bonds; and, second, to remove the limitation on the interest rate at which it is allowed to borrow money for periods longer than 5 years.

Again the other day, the President sent an urgent appeal to the Congress for action on this legislation, noting that the American people have a tremendous stake in its enactment. Failure to act, the President said, means that millions of thrifty Americans who purchase savings bonds cannot be fairly treated, since the Treasury will be unable to pay them a fair rate of interest.

And, finally, said the President, it means that responsible people at home and abroad can only conclude that we have not yet determined to manage our financial affairs as soundly as we should.

In the case of U.S. savings bonds, the interest rate which the Treasury is paying to the 40 million owners of some $42 billion worth of series E and H bonds, is limited by law to 3¼ percent. This is far below what the Treasury is compelled by market conditions to pay to other holders of its bigger I O U's, and well below what an individual can earn simply by putting his extra cash in most savings banks or institutions.

As a result, in each of the last 4 months, more savings bonds have been cashed than the Treasury has sold. To redeem these bonds and to meet its other obligations, the Treasury has had to borrow money from investors in the so-called short-term market—generally for 90 days up to 1 year. This, of course, puts the Government in competition with business firms and other small borrowers for available short-term money.

The bill which this rule makes in order fulfills but one part of the request of the President—namely, to raise the interest rate the Government pays on its savings bonds. It fails to provide the second part of his request—namely, to remove the limitation on the interest rate at which it is allowed to borrow money for periods longer than 5 years.

The second part of the President's request is ignored in this bill. The problem, in short, is to make long-term bonds more attractive so that the public will not only buy them, but will hold them until maturity.

At the present time, the Treasury is unable to sell its long-term bonds, which mature in more than 5 years, at the maximum 4¼ percent interest rate which was fixed by law in 1918. Investors can simply get a better return on their money from other sources. It means that the Treasury is obliged to continually raise 70, 80, or more billions of dollars every few months.

When members of the Committee on Ways and Means were before the Rules Committee requesting a rule on H.R. 9035, several members of the Ways and Means Committee—realizing the seriousness of including the second request of the President to remove the limitation on the interest rate at which the Treasury is allowed to borrow money for periods longer than 5 years—urged that the rule make in order the substitution of the Harrison-Simpson bill, which provides for the same.

When the present rule was considered by the Rules Committee, I moved that the substitute Harrison-Simpson bill be made in order, but my motion was defeated.

It is my sincere hope that during the debate on this bill, our colleagues, the gentleman from Virginia [Mr. HARRISON], the gentleman from Pennsylvania [Mr. SIMPSON], the gentleman from Wisconsin [Mr. BYRNES], and others will speak on the importance of removing the limitation on interest rates for long-term borrowing, and that their remarks will be deemed sufficiently important so that a bill will be presented before we adjourn which will take care of the matter.

Mr. Speaker, I know of no one who is opposed to the rule presently before us, and I urge its adoption.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, while I think the chairman and the members of the Committee on Ways and Means are to be complimented for bringing this bill to the floor of the House, I also feel that it should be pointed out that the bill is in no sense a solution to the problem which confronts the Treasury of the United States. The legislation covered by this bill simply calls upon the Federal Treasury to pay more money out in interest in managing a segment of the national debt. It does absolutely nothing to give the Treasury the power to adequately and properly manage the national debt in the field of long-term financing, where that authority is most necessary. The bill could even be considered as inflationary because of the additional expenditures which will be taken out of the Federal Treasury. It is important, therefore, Mr. Speaker, that the chairman and the members of the Committee on Ways and Means do, at the first possible opportunity, take the next step in granting to the Secretary of the Treasury the power to adequately manage the national debt and the problems which now confront the Nation in its fiscal management.

Those problems are serious, we could say even grave, and deserve the fullest attention of the Congress.

Mr. ALLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I may be delaying the proceedings, but not as much as would be necessary later in the day. From the inception of our Government it has been customary for a small section of the press to question the integrity, the patriotism, and the ability of Members of the Congress. Recently that has been done in several different ways. The happenings in the last week or two have demonstrated, at least to my mind, that Congressmen—and in that I include, of course, Members of the other body—cannot, Mr. Speaker, be purchased.

More than a million dollars has been expended by unions in attempting to elect individuals to the Congress who will carry out the will of the union official. The vote in the House on the 13th and on the 14th of last month, that in the Senate prior to that, and last night in the Senate and again here today has demonstrated beyond any argument that those who received campaign contributions nevertheless vote as their judgments and consciences dictate. Many are getting sick and tired of the thought that Congressmen can be purchased as so much merchandise is bought in a supermarket. It just cannot be done. It happens that I know quite intimately practically every one of the 52 Members who just voted against this bill, and in my judgment every one of them voted his sincere conviction, and it is an outrage for the papers to continue to say that Members of Congress can be purchased either by labor organizations, by the chamber of commerce, the National Association of Manufacturers, or any other group when the demand affects our national welfare.

The foregoing does not mean that the practice is approved. In my judgment it is wrong. My purpose is to call attention to the fact that often when the issue is clear Congressmen are faithful to their constituents.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

RAISING THE INTEREST RATE ON SAVINGS BONDS WILL RAISE ALL INTEREST RATES, CAUSE MORE UNFAIRNESS TO 98 PERCENT OF THE AMERICAN FAMILIES, BRING ABOUT NO MORE SAVINGS, AND STRENGTHEN THE ADMINISTRATION'S DRIVE TO BREAK THE HISTORIC 4¼ PERCENT CEILING ON MARKETABLE BONDS NOW FAVORED BY WALL STREET SPECULATORS

Mr. PATMAN. Mr. Speaker, I will have to vote against the bill. In doing so I recognize that there are many valid arguments for the bill.

We are told that the people who buy savings bonds are the true savers. They are, of course, individual savers, not institutions. Furthermore, there are no speculative profits to be made on variations in the market price of these savings bonds. That is all true.

We are also told that the rate being paid on savings bonds is out of line, and on the low side, relative to the other interest rates. That is true.

Furthermore, we are told that the Government ought to be fair with the purchasers of savings bonds and give them a rate which is on a parity with the rates the Government is paying on its marketable bonds, considering, of course, that some differential is justified by reason of the fact that the Government stands ready to cash in the savings bonds at par at any time. In other words, the person who puts $100 in a savings bond can be sure of getting back $100, whereas if he puts his $100 in a marketable bond it may be that he will get back only $90, or $80, or $70, or even less. No one can be sure these days, because of our Government's policy of raising interest rates higher and higher, and thus reducing the market value of bonds which have been previously issued at lower rates.

The argument that we should be fair to these savers who purchase savings bonds appeals to me very much. If we could raise the interest rate on these bonds without also raising all other interest rates, I would be for it. But I think the effect of raising these rates will be to raise all rates, and we will thus cause a much greater unfairness to the overwhelming majority of the American people than if we held the rate as it is.

If we do anything to cause, or to make it easier for this administration, with the help of the Federal Reserve System, to raise the general level of interest rates, we will greatly penalize the overwhelming majority of the American people in return for more special benefits to the big money lenders and the very small percentage of wealthy families in the country. We will cause more inflation. All prices will go up, and this will take a bite out of every family's budget. Utility rates will go up. Taxes will go up. And the cost to consumers of financing a home, or buying things on the installment plan will all be increased. I think that raising the rate of savings bonds will automatically increase all other rates. Furthermore, the effect of increasing the other rates will be to put those of us in Congress who are trying to hold the line against repealing the ceiling on marketable bonds in a weak position to hold out against the administration's efforts to pry the lid off of these bonds, which means prying the lid off all interest rates.

And that, of course, is the administration's main objective. It has succeeded in getting interest rates up now above the 40-year record, and this is a most historic record, during which the previous Democratic administrations were able to lick a depression and fight the greatest war in history without violating this 40-year ceiling.

RAISING INTEREST RATES DOES NOT INCREASE THE SUPPLY OF SAVINGS

Here are the considerations which lead me to believe the bill is bad.

First, will raising interest rates on these bonds bring about any larger amount of savings? No, I do not think so. A larger amount of savings could

be brought about if the administration would put on a campaign to sell savings bonds. If the administration would put only half the effort into a campaign to encourage savings as it has been putting into its campaign to frighten people about inflation, it could solve its problem and get interest rates down, if it wanted to get interest rates down. But that would be contrary to the administration's policy. The administration's policy is to get interest rates up, not down.

The point is simply this: We have had high interest rates and we have had low interest rates, but the American people have not saved any larger percentage of their incomes when interest rates were high than when interest rates were low. This is according to the official Department of Commerce figures. Within the last decade interest rates in general, including interest rates that were available to family savers, have been changed from year-to-year by almost 100 percent. When the rates were doubled people saved less as often as they have saved more. Similarly, when the rates were cut in half, people have saved more as often as they saved less.

So raising interest rates on the savings bonds is not going to bring about a greater supply of savings. Raising interest rates in general is not going to bring about a greater supply of savings. All it will do is to cause us to pay more interest on the same amount of savings, making the rate on savings bonds competitive with rates paid on time and savings accounts will cause these rates to be raised.

Now the argument we hear is that people are cashing in their savings bonds in order to put their money where they can get a higher rate of interest. The argument is that the commercial banks are paying somewhat higher rates on time deposits, the mutual savings banks are also paying higher rates on savings deposits, and the savings and loan associations are paying higher dividends. Thus we are told that this is the reason that more savings bonds are being cashed in than are currently being sold.

There is a great deal of truth in this, although the truth is being greatly exaggerated. One of the reasons that people are cashing in their savings bonds is that consumer spending in general is on the rise. At such times people cash ing their savings bonds in order to buy the things they have been saving to buy, not to put their money in some other form of savings.

There is enough truth in the statement that people are transferring their savings, however, to put us on warning against doing the thing we are being asked to do. Certainly a substantial number of people, people who have rather large amounts of savings, while they do not save any more by reason of high interest rates, do put their savings where they can get the best interest rate. And the argument is that the rate on savings bonds should be made competitive with the rates being paid on time and savings deposits so as to reverse the present trend and divert more savings back into savings bonds.

Remember now, raising the rates is not going to create any more savings. The whole argument is to divert savings from time deposits and from savings deposits. So if raising these rates accomplishes what the proponents of the legislation expect to accomplish, the effect will be merely to raise the rates on time and savings deposits. The State banking authorities are already under pressure to raise the rates which the mutual savings banks can pay. And the Federal Reserve is already under pressure to raise the rate which its member banks can pay on time deposits. What will prevent these authorities from raising these rates? Nothing. They will, in my judgment, promptly do so.

This will mean, then, that the commercial banks and the mutual savings banks will promptly raise their lending rates, first on mortgages, then on other types of loans. The savings and loan associations will be squeezed, and they will have to raise both their lending rates and their dividend rates. So shortly after we raise the rates on these savings bonds, the new rates will be just as much out of line as now, and there will be the same arguments and the same justifications for raising them again. Furthermore, the administration, which says it wants to treat its savers fairly, will have to ask for another increase in the rate paid on postal savings accounts, bevause this rate is also 3 percent.

HIGHER RATES ON SAVINGS BONDS WILL ATTRACT NO MORE SAVINGS BUT WILL HELP RAISE THE RATE ON 4¼ SPECULATORS BONDS

Finally, market rates will still be even more out of line with the 4¼ percent ceiling on marketable bonds, and Congress will be under a great deal more pressure to pry the lid off marketable bonds, and when this happens the sky will be the limit on all interest rates.

The unavoidable issue, it seems to me, is whether we are going to have a roll forward or a rollback in the general level of interest rates. Raising the rate on savings bonds will in no way resolve this issue. It will only increase the likelihood that the issue will be resolved in favor of the moneylenders, in favor of more inflation, and in favor of a further redistribution of the income in favor of the wealthy at the expense of the few.

Let us consider how many people will be helped by raising the rate on savings bonds as against the number of people who will be hurt.

First, only a very small percentage of all the families in the country have any savings at all in the form of liquid assets. The low-income families have, altogether, very little in the way of savings. It is the high-income families and the very wealthy families who do substantially all of the saving.

SEVENTY-THREE PERCENT OF THE FAMILIES OWN NO SAVINGS BONDS—FIVE PERCENT OF THE FAMILIES OWN EIGHTY-SEVEN PERCENT OF THE BONDS

According to a recent survey by the Federal Reserve Board, 73 percent of the families of this country own no savings bonds whatever. They will still own no savings bonds after the rate on these bonds is raised, but they will pay out a great deal more money in higher prices, higher taxes, higher carrying charges, and higher utility rates if this bill is passed.

Only 9 percent of the families own savings bonds in an amount of $1,000 or more. And we might ask what will this bill mean to a family owning $1,000 worth of savings bonds? The administration has told us that if we take the ceiling off the rate on savings bonds it expects to raise the rate by one-half of 1 percent. This will mean, then, that a very few families will receive as much as $5 a year as a result of this bill. That is a very small amount, indeed, and to go to a very few people, to justify increasing interest costs on every family in the country.

Just how are the savings distributed?

The recent survey by the Federal Reserve Board made early this year, shows that only 5 percent of the families in this country own savings bonds in amounts of $2,000 or more. These 5 percent of the families own 87 percent of all the savings bonds outstanding.

Furthermore, if we had the facts I have no doubt that even among this 5 percent of the families a great majority own bonds only in the neighborhood of $2,000 worth, and that three-fourths or more of all the outstanding savings bonds are owned by no more than 1 percent or 2 percent of all the families in the country.

So, in answer to the plea that we ought to be fair to the savings bondholders, we have got to remember that this means that we will authorize interest payments in significant amounts to no more than 2 percent or 3 percent of the families of the country, while we will take a much greater slice out of the budget of the average family.

INTEREST RATES DO NOT REFLECT SUPPLY AND DEMAND—ARE FIXED BY ADMINISTRATION POLICY

Now, of course, the basic premise in all the propaganda we are hearing and reading these days is that the Government is helpless in this matter of interest rates, that interest rates are simply a free market reflection of the supply and demand for funds. Nonsense. If interest rates were determined in a free market and did reflect supply and demand, I would be for taking off all ceilings on interest rates. But this imaginary world that we read about in the administration's propaganda is not the kind of world we actually live in. It has been this administration's deliberate policy to raise interest rates, and the truth is that interest rates can be determined only by the Federal Reserve System and the Treasury. Let me illustrate.

In 1952 and in 1953 interest rates were relatively low. In 1957, they were almost doubled. What were the results? Was the supply of savings increased?

Well, the Department of Commerce reports that in 1952 and 1953, the American people saved 7.8 percent and 7.9 percent of their personal disposable incomes in those years respectively. In 1957, they saved somewhat less—7.5 percent, notwithstanding the doubling of interest rates.

But was the demand for savings as great in 1957? Can we say that the big investment boom of that year took a

larger share of the national income? No; it did not. It took a much less percentage of the national income than in 1952 and 1953.

We recognize two kinds of demand on the national income. One is for consumption. The other is for savings to finance the gross private domestic investment—which includes plant expansion, business inventories, housing, and so on—to finance also the net deficits of all governments, and to finance the net foreign investment, including that brought about by the foreign aid programs.

In 1952, the total demand for savings amounted to 18.3 percent and 18.1 percent, respectively, of the national income, including, of course, business income. In 1957, the total demand for savings had dropped to only 16.8 percent of the national income. So obviously supply and demand for savings had nothing to do with the fact that interest rates were almost doubled. Interest rates had been raised only because the administration, with the help of the Federal Reserve, decided to raise them. And the same is true today. Interest rates have now been raised even above the previous record of 1957. Yet so far this year the demand for savings is a lesser percentage of the national income than in 1952 and 1953. This is a remarkable accomplishment. Certainly we have learned by now that if we do not take a firm stand against this policy of raising interest rates higher and higher, the sky will be the limit.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. SMITH of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 163]

Andrews	Ford	Pillion
Anfuso	Hall	Poage
Barden	Halleck	Powell
Baumhart	Holifield	Rhodes, Ariz.
Becker	Jones, Mo.	St. George
Bolton	Kluczynski	Sheppard
Bow	Landrum	Sikes
Broyhill	McDonough	Smith, Kans.
Canfield	McMillan	Teague, Tex.
Carter	Machrowicz	Thompson, La.
Cooley	Marshall	Thomson, Wyo.
Davis, Tenn.	Minshall	Wainwright
Derwinski	Norrell	Westland
Evins	O'Brien, N.Y.	
Fisher	Osmers	

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

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

INTEREST RATE ON SERIES E AND H U.S. SAVINGS BONDS

Mr. SMITH of Virginia. 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.

Mr. MILLS. 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. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9035, with Mr. UDALL in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, as you are well aware, the question of public debt management has occupied a considerable portion of the public press over the last three months. This started with a series of proposals advanced to the Congress and then in public hearings before the Committee on Ways and Means. Broadly I could summarize these proposals as follows, in three parts.

The first proposal was to remove the statutory ceiling interest rate of 4½ percent on Government bonds with a maturity of 5 years or longer.

The second part of the over-all proposal was to remove the statutory ceiling interest rate of 3.26 percent on series E and H bonds known as savings bonds.

Then, the third part of the proposal was to provide a number of statutory changes affecting debt management, including provisions for certain tax-free bond exchanges that would make possible an advance refunding of a portion of the public debt.

The bill before the committee, Mr. Chairman, H.R. 9035, deals with the last two of these three sets of proposals. The bill provides that the President may issue a finding that the national interest requires that series E and series H savings bonds be sold at an interest rate above the present statutory ceiling of 3.26 percent. The bill also provides all of the special debt management provisions which the Treasury Department asked for. I might elaborate very briefly on what the bill does provide. Basically it gives the President authority to act as though there were no statutory ceiling on the interest rate on Series E and H bonds. The President also has the authority to provide that in the case of outstanding bonds of this nature, E and H, the redemption values for interest periods beginning after June 1, 1959, shall be increased proportionately to whatever the new interest rate is and with respect to new issues of E and H bonds let me illustrate how this works.

If you have a bond which you purchased for $75 on June 2 last, the bond would presently show a redemption value after it had been held for 6 months of $75.60. Under a schedule which the Treasury has indicated it might follow with respect to the new bond sales, the redemption value on this bond would be actually set at $75.64 after 6 months and it would advance so that the bond would mature at $100 after 7 years and 9 months instead of 8 years and 11 months as is the case at the present time under existing law.

The other detailed provisions include a more generous authorization for the Treasury to permit continued holding of matured savings bonds at current interest rates.

Next, the bill contains a provision for relief from liability after 10 years for individuals who make erroneous payments in redeeming these U.S. bonds.

Third. Permission for the trust funds to buy new issues of Government bonds at the issue price rather than at par, since this will be the market price.

Fourth. A reaffirmation of the exemption from certain local taxes on Federal bonds.

Fifth. The provision for nonrecognition of gain or loss on certain exchanges of U.S. obligations from the Treasury where the Secretary of the Treasury has provided under regulation that the nonrecognition treatment will apply to this type of exchange.

We are told by the Secretary of the Treasury that the principal purpose of this provision is to make possible an advance refunding of certain outstanding bonds now selling at a discount as part of the program for extending maturities of the debt. This nonrecognition feature will be of particular advantage to certain savings institutions which will be able to avoid showing a book loss at the time of the refunding.

I think there is little need to emphasize the desirability, the actual requirement, that Congress take some action with respect to the savings bonds sales. I am sure all Members of Congress know, because most all of us hold certainly E-bonds if we do not both E- and H-bonds, that E-bonds are bonds largely held by individuals. In 1957 the change was made with respect to E- and H-bonds, that they can be held by other than individuals except that no one can purchase more of them in any calendar year than $10,000 in maturity value, and except that commercial banks cannot own E- and H-bonds. The interest has been figured on E- and H-bonds of recent issue of the last several months at 3¼ percent. We are in a position today of finding that we are having more of these E- and H-bonds cashed than we are actually selling, and in this present third quarter of 1959 we are told that the redemption of series E- and H-bonds will be in excess of $500 million more than the actual sale of E- and H-bonds in this period.

I am saying in this quarter of this year, the third quarter, the one we are in now, we expect that redemptions will exceed sales of E-bonds by approximately one-half billion dollars. This figure would be much higher, frankly, in my opinion, if it were not for the fact that a great deal of publicity has been given to the possibility—really more than a possibility, I would say—of the interest rate on these bonds being raised effective as of June 1, 1959.

People have been holding them, in my opinion, with the expectation that Congress would enact legislation which will permit some increase in the interest rate. If we should adjourn without taking action which they expect will be taken, and which I hope will be taken, I am satisfied for the next quarter of this year and for the immediate future until remedial action is taken in another session of the Congress that the redemption rate would far exceed this $500 million figure per quarter, that is, the redemption rate over the sale of new bonds. Now, why is it so important that we not let disaster occur to the savings bond program? First of all, we are talking here in terms of that part of the overall debt of the country that will be owned largely by individuals. Almost all of these E- and H-bonds are owned by individuals although, as I said, corporations and others can own them—except that commercial banks cannot. Most of them are owned by individuals. The inflationary effect of your huge public debt is felt far less, if it is held by individuals than if it is held by banks. I think anybody would agree with this. Certainly, it is a fact. Should we not permit an increase in interest what would we be doing? We would be creating a situation wherein the very people we want to hold a maximum amount of this debt will be surrendering their holding of the debt. So the Treasury then would have to go into the marketplace and use short-term paper or other long-term paper to replace that which is lost through surrendering these E- and H-bonds by individuals, which is a very stable holding of a large part of our debt. Now, then, where are they going to go? They are going to go to the banks and other institutions; are they not? They are going right to these lending institutions and place more and more of the debt into the holding in them, and the holdings become greater and the inflationary effect of the debt becomes more pronounced. That is one of the primary reasons why I think we must do something about this ceiling on E- and H-bonds. Then, in addition to that, it occurs to me we ought not to expect people to be willing, as patriotic as their motives are, to put their savings into a Government paper on which they can only get 3¼ percent when all in the world they have to do is to walk down the street and put their money into a mutual savings bank, a building and loan association, or other savings account, and get 4 percent or some such figure for their savings. Now we are not, and let no one mislead you, we are not here proposing that the Government step in through the management of the public debt to increase the rate of interest that people can get for savings. What we are trying to do here is to put the Treasury Department in a position of being able to compete for the savings that people have in the area of E- and H-bonds, and not be left with a situation such as they will be without this degree of relief that this legislation affords.

There are other reasons I could advance for this program as to why it should be done. But is it not common fairness to these people who have, because of patriotic reasons, permitted a deduction from payroll for E-bonds to get at least as fair a break on interest rate as others may be getting who did not put their money into E-bonds? Furthermore, is it not just as fair for them to get a break as it is for those who are not individuals but incorporated in the form of a commercial bank to get the interest? I think it is. I appeal to the membership, certainly, to do this that we are suggesting from the Committee on Ways and Means today.

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

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

Mr. BAILEY. Has the committee ascertained what part of this investment that the ordinary individual would have to invest in Government bonds is being diverted to spending on the stock exchange?

Mr. MILLS. I will say to my colleague from West Virginia that I do not have that information and I do not know if there is any way to get the answer to it. I would imagine that some redemptions result from the fact that people from time to time have a need to draw on their savings and will liquidate some of them.

Mr. BAILEY. The gentleman will agree with me that they also get liquidated in the fluctuations of the market.

Mr. MILLS. Certainly, but I think most of the redemptions are due to the fact that the people feel, very frankly, that they can get more interest on their savings if they go into some other form of investment than in E's and H's and being wise investors many do just that.

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

Mr. MILLS. I yield.

Mr. GROSS. Do I understand correctly that this applies to series E- and H-bonds?

Mr. MILLS. To them only.

Mr. GROSS. And that have matured on or before July 1 or are being presently purchased?

Mr. MILLS. No, sir; those individuals who are possessed of E- and H-bonds as of June 1, 1959, will get the benefit as of that date forward of such increases in the interest rate as are provided with respect to new issues of the bonds, E's and H's, that are issued under the authority contained in the bill to exceed the 3.25 percent; so we would have to do that. I am sure the gentleman understands that if we did not do this the people who owned E- and H-bonds would immediately turn them in, then turn right around and buy new savings bonds carrying the higher rate of interest.

Mr. Chairman, I had intended to say something about a part of the overall program that is not in this bill. It was in this area of the 4¼ percent interest rate on long-term Government obligations other than savings bonds that we have had most of our discussion and controversy. The fact is that I do not suppose there was anybody on the committee really who opposed at any time the thought of treating series E- and series H-bondholders as we are proposing in this bill. The controversy in the committee raged over the elimination of the ceiling, or the right of the President to exceed the ceiling prescribed by law, of 4¼ percent that has been effect for 41 years with respect to long-term obligations.

Our committee gave many days and hours of serious consideration to this matter of the interest rate ceiling on Government bonds. In the first place, it was hard to see that there was any real urgency attached to this issue comparable to the urgency of changing the rates on E- and H-bonds. Right now, long-term bonds are close to the highest levels that they have reached since the 1920's. Unless one is convinced that the rates will continue to go higher, it is not wise financial practice to invest a large amount of the debt at this peak interest rate that will have to be paid for many years in the future even though current rates should decline. Certainly this proposal is more argumentative than the proposal in the bill on E- and H-bonds.

I must observe that the committee's reluctance to immediately endorse the President's proposal has not caused any panic in the investment markets. In mid-June when the President made his proposal to Congress the average interest yield on taxable U.S. Government bonds was 4.09 percent. In the week beginning August 15, the interest rate was 4.06 percent. In the same period, high grade municipal bonds fell from a yield of 4.04 percent to 3.94 percent and triple A corporates fell from 4.46 to 4.42 percent.

Future developments may tighten the situation at which time Congress can again look at the problems then existing.

I also believe the Treasury should gain some experience with the nonrecognition provisions to see if they will not be of considerable help.

Let me say to the membership that I am not ready at the moment to cross the bridge of removing that ceiling; I am not ready to cross the bridge of permitting the President to exceed that ceiling today. A situation can develop that is entirely possible by the time Congress reconvenes and looks at this matter, that it would be deemed feasible by a lot of us who do not now deem that action desirable or who are unwilling to undertake it at the moment. This ceiling rate has been there, as I say, for about 41 years. The Secretary of the Treasury wants authority lodged in the President to exceed it also, leaving flexibility in the management of the public debt. It is all right if one takes the position that there can be no change with respect to the trend in interest rates and that they must fluctuate further upward and upward; but I believe that this is not the time to give authority to exceed this 4¼ percent those bonds can pay. I believe this situation as far as interest rates is concerned may well have reached its peak, or if not, almost reached its peak, or that it is bound to fall. There may be a period within the next several months ahead where we will be not faced with increased rates but with the desirable prospect of a relaxation in the area. I think it would be our thought that it would now appear to be a mistake to

place any appreciable portion of this public debt in long-term securities of 10, 15, 20, or 25 years committed to a rate of interest in excess of 4¼ percent that would have to be paid over that length of time without change even though the rate of interest in the meantime may well have declined to where the Government could actually finance its obligations for less.

To me this is not so pressing as is this matter of the ceiling held on E- and H-bonds. We should not finally dispose of that question today because I think it merits further consideration. It should remain alive before the Congress to be considered at such time as the Congress may want to consider it in the future, but I do not want this joined with what all of us know we ought to do now—take care of interest on the E- and H-bonds—and have the whole program bogged down somewhere along the line. The savings bond part can and should be passed.

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

Mr. MILLS. Mr. Chairman, I yield myself 1 additional minute.

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

Mr. MILLS. I yield to the gentleman from New York.

Mr. SANTANGELO. With respect to the E and H savings bonds, has the committee considered maintaining a rate of interest or reducing it and making the interest tax exempt?

Mr. MILLS. That has been discussed in the committee, yes. I have a very strong feeling personally about this possibility of every time something seems to be desirable of using the tax laws to give an advantage. You may say that because of the circumstances it would be highly desirable to exclude this kind of income from tax, but let me call your attention to the fact that the more of that we do the less is the ultimate possibility of making proper adjustments in the rate structure applicable to the base of our tax. It is my hope that we can stop whittling away at the tax base and make adjustments in our rate structure so that everybody can receive some benefit through that process.

In the case of interest on the public debt, the charge should be a direct charge so we know its cost. It should not be hidden in tax exemptions.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, let the record be clear at the outset that the minority Members of the House of Representatives support the proposal to provide authority to the Secretary of the Treasury to pay a fair and equitable yield to holders of series E and H bonds. The bill, H.R. 9035, gives that authority. The minority Members of the House were willing to do that on June 8, 1959, at the time the President transmitted his legislative recommendation on the subject of public debt management to the House.

Let the record be clear at the outset that the minority Members of the House of Representatives are also willing to support legislation that would strengthen the hand of the administration in assuring that the holders of series E and H bonds upon maturity of the bonds were paid back in dollars that had a comparable value to the dollars which they invested at the time of purchasing the bonds. The minority Members of the House were willing to do that on June 8 when the President's message was received by the Congress. The bill, H.R. 9035, in its present form does not do that. It is unconscionably and grossly deficient in that respect.

The House leadership by approving the floor consideration of H.R. 9035 after 3 months of vacillation, procrastination, and disputation has taken a timid step toward dealing with the fiscal facts of life and is today giving the House a long-awaited opportunity to be halfway responsible. It can be said with certainty that H.R. 9035 is not an adequate solution to the problem of public debt management. Regrettably, it may also be true that H.R. 9035 is no solution at all.

Three months ago on June 8, 1959, the President of the United States sent a message of unusual importance to the Congress asking the passage of legislation designed to give the Executive more realistic authority in dealing with the very momentous problem of public debt management. In asking that authority he made two specific requests with respect to interest rates payable on Government securities. First, he asked that the 3.26 percent ceiling on series E and H savings bonds be repealed. Second, he asked that the 4¼ percent interest rate ceiling on marketable bonds be repealed. He was seeking the authority to pay higher interest rates if market conditions required and if in the judgment of the responsible and capable officials charged with the management of our debt the payment of higher rates in the long term money market would have the effect of reducing the cost of maintaining our $290 billion public debt. It should be made clear that the President was not asking authority to increase interest rates needlessly. It should be made clear that he was seeking to minimize and not increase public debt costs. That his proposal was directed to the point of decreasing debt costs rather than increasing them has been attested to by the great preponderance of fiscal experts and financial writers.

Mr. Chairman, I would call attention to pages 45 to 52 of the report wherein there is a long list of editorial comment in every respect endorsing the recommendation made by the administration to do everything which is in the bill before you plus one thing more asked by the administration.

Mr. Chairman, since the receipt of the President's message on June 8 there has been much uninformed talk and no definitive action. The Committee on Ways and Means on an on-again-off-again basis has struggled to find an alternative solution to the legislative request of the President. Of course, the only real solution is to deal straightforwardly with the issue and approve the President's recommendation. Unfortunately, there were those members of the committee who, for various reasons, considered such straightforward action undesirable. On two occasions the committee marched up the hill to give tentative approval to a legislative proposal only to march back down the hill and reverse itself. The third attempt to scale the heights of fiscal responsibility has produced partial success in that we at least have before the committee the bill, H.R. 9035, dealing with the statutory ceiling on series E and H bonds and ignoring the problem caused by the ceiling on marketable bonds.

Approximately 40 million Americans hold $42 billion in savings bonds. In recent months redemptions of such bonds have exceeded sales. That fact is a reflection of public concern over the wisdom of investing in Government securities. I submit, Mr. Chairman, that the same economic principles that have prompted a net redemption of savings bonds are applicable to the areas of marketable bonds. These same economic forces that have impaired Treasury endeavors to increase the holding of savings bonds have also seriously encumbered the Treasury endeavors to handle and refinance the $183 billion that is outstanding in marketable bonds, Treasury bills, notes and certificates. While 42 million Americans may be directly interested in savings bond yields, 177 million Americans are vitally and directly interested in the part of the President's recommendation that H.R. 9035 blindly disregards.

Presently our borrowing is exclusively being done by securities with less than 5-year maturities in competition with anyone and everyone, business and individuals, who seek to borrow money.

I refer you then to the first full paragraph on page 31 of the committee report where it is stated:

> Under the majority proposal the Congress runs the risk of misleading the public. We offer them, on the one hand, the assurance by the Congress of a more adequate yield on their patriotic investment in series E and H bonds.

The ones I refer to are your neighbors and my neighbors who are asked to buy and to hold series E and H bonds which today they are not buying but are selling because the interest rate is too low or because of their fear of inflation and they seek to put their money into something less likely in their judgment to suffer from inflationary effects.

That is what this bill does which is before us, but by restricting the Treasury refinancing to the short-term market we could merely be fanning the fires of inflation with the consequence that at maturity these savings bonds would be redeemed at a higher yield but with an inflation-eroded dollar.

It is said that we should vote to take care of the savings bond matter because that is all we can hope to get through the Congress in the closing days of this session. It is also said that the Congress can take another look at the neglected portion of the President's recommendation next year. The Congress has been looking for 3 months now under the most urgent and compelling conditions that argue in favor of granting the President the authority he requested. That 3-month look has produced no result.

If the leadership procrastination had not brought us to the point of imminent adjournment before this legislation was allowed to come before the House, this issue could have been more thoroughly considered by the membership. The proponents of procrastination have used the other body as an alibi for no House action. But, Mr. Chairman, that alibi is no longer available to them. We were also told, Mr. Chairman, that a gas tax increase could not be gotten through the House of Representatives, but yesterday the House of Representatives voted by a vote of 243 yeas to 162 nays to support a gas tax increase.

I believe the time has come when the leadership must cease discounting the willingness of the House to deal responsibly with national issues. The leadership should give the House the opportunity to decide for itself what its attitude will be on legislative matters.

The President of the United States, the Secretary of the Treasury, the Chairman of the Federal Reserve Board of Governors, and the Republican members of the Committee on Ways and Means have all been diligent in our efforts to overcome the "sit and wait" obstruction tactics of the House leadership. We have persisted in our endeavors not as a "political play" but instead, because we knew the best interests of our Nation and indeed of the free world, required such action.

Despite all contentions to the contrary, the majority-approved proposal is inflationary in its import. It will have the practical effect of forcing the Treasury to refinance approximately $74 billion in the next 12 months in the short-term—under 5 years—money market. In refinancing this huge portion of our $290-billion debt in such a way we will be keeping a large portion of the total national savings in the next thing to money as far as liquidity is concerned. In addition by limiting the Treasury Department to short-term money we are placing the Federal Government in competition with the same sources of borrowing that are resorted to by small business for working capital and capital improvement, and by the American public as consumers in purchasing automobiles and other durable goods. This concentration of the forces of borrowing demand in the short-term money market will inevitably force the interest rate on short-term money to continue to climb. This will impose the havoc of inflation on the American people and will add inestimably to the cost of maintaining the public debt.

Mr. Chairman, if we were to improve this legislation by adopting the motion to recommit we could then with honesty say that we are assuming our responsibility as legislators in passing this legislation and putting the responsibility for the debt management where it belongs, namely the administration. The President on August 25 stated:

> The administration is willing to assume full responsibility for managing the Federal Government's debt if it is allowed to do so free from artificial restrictions and on a parity with other borrowers.

The inference is and the fact is that if we in the Congress refuse to remove the artificial barriers which in effect force the Government to borrow money in the short-term field, the responsibility for the inflationary effects of borrowing money in this short-term area rests with us. We will not here be doing our duty as responsible legislators if we do not give the authority to the President as he has requested.

The President stated further on August 25, in referring to this legislation—and I hope you will listen: "No issue of greater importance has come before this session of Congress." Think of that. Not the labor bill; not the highway bill; not mutual security; the legislative issue before us today is of primary importance. No issue of greater importance has come before this session of Congress than this question of the security of the debt of the United States in the hands of its citizens, representing their lifetime savings. I repeat that this request of the President has been supported by every sound financial writer, and we of the Committee on Ways and Means do not bring you that part of the bill which is the most vital and anti-inflationary part of the requested legislation. It is true the Treasury says they will accept this bill if it becomes law, but emphatically as of yesterday the Secretary of the Treasury said it is inadequate. He said it is no compromise with the Treasury; it is inadequate. He said the Treasury will continue to urge that the ceiling on long-term bonds be removed. The Treasury is no party to this legislation before us.

The phrase to keep in mind is "good debt management." That is the phrase which keeps cropping up time after time, "good debt management." What can be done to borrow the money the cheapest and with the greatest possibility of avoiding inflation? The one thing that stops us in this law passed 41 years ago which limits the authority for long-term investments to an interest rate of 4¼ percent or less. There is no limit on what we pay for short-term money. That could go up and up and up, and will go up unless we allow the Treasury to tap those sources of funds which are available on a long-term basis.

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

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from California.

Mr. HIESTAND. The gentleman has said that concentrating so large a part of our debt on short-term money is inflationary, and we say that that is true. A high percentage of that investment goes to commercial houses and banks.

Mr. SIMPSON of Pennsylvania. A large part of it goes to that type of purchaser and is, in effect, money which provides a basis for the issuance of new money. It may be cash on demand, and a large part of it is only 90-day paper, anyway.

Mr. HIESTAND. Can the gentleman state about how much of that short-term money goes to financial institutions?

Mr. SIMPSON of Pennsylvania. I regret that I cannot, offhand.

Mr. HIESTAND. I thank the gentleman.

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

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Virginia.

Mr. HARDY. I am searching for an answer on this subject. We talk about short-term money being inflationary and long-term money guarding against inflation. What is the cutoff period? Where does the period become inflationary and where does it prevent inflation?

Mr. SIMPSON of Pennsylvania. The Treasury has told us if they are permitted to invest their money with those purchasers who are willing to tie their money up for anything over 5 years, they thereby lessen or reduce the chance of that money becoming inflationary.

Mr. HARDY. Then is not the key to the problem the length of the term for which the bond is issued, or is it the individual that holds it?

Mr. SIMPSON of Pennsylvania. Let me put it this way: The life insurance companies formerly bought vast amounts of bonds and tied up millions of dollars in long-term securities. They have completely reversed that policy and are now placing their money in the short-term area, where they can make the money available to business and personal loans.

Mr. HARDY. I would appreciate the gentleman's helping me clear up some of these questions in my own mind. In the case of a long-term bond with a relatively high interest rate, would it not have the capacity of being just as inflationary as a short-term bond in that it would provide the basis for short-term credit?

Mr. SIMPSON of Pennsylvania. Well, the fact is that the money is tied up, and the man cannot demand that the Government give him cash. He may go on the market and endeavor to sell it.

Mr. HARDY. Is he not able to borrow?

Mr. SIMPSON of Pennsylvania. He may borrow on it; that is correct.

Mr. HARDY. At a lower interest rate than the long-term security?

Mr. SIMPSON of Pennsylvania. That would depend upon economic and monetary conditions. Now, this bill before us has the effect of increasing the cost of borrowing money from the people who buy the E- and H-bonds. Believe me, they are entitled to it for they are risking their money in a certain area when they could put their money in some other institution of lending and get a greater return. So the fact is that the costs as a result of this piece of legislation are being increased. More pressure for spending under our budget is represented by this piece of legislation and we refrain from doing anything whatever to help the Treasury Department control the influences which tend to bring about inflation.

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

Mr. SIMPSON of Pennsylvania. I yield to the gentleman.

Mr. ALGER. In partial answer to the question directed earlier by the gen-

tleman from Virginia, is it not true that the shorter the term the more liquid the money becomes; in fact, it evenually actually becomes money. In that connection may I ask the gentleman with reference to the statement on page 34 of the report if the answer is not to be found partly in this sentence:

> In the years 1920–21, the ceiling forced the Treasury to engage in 25 separate short-term debt operations at interest rates above 5 percent—or three-fourths point higher than the ceiling.

Mr. SIMPSON of Pennsylvania. That is right. Traditionally the short-term money will continue to increase in cost as we are forced to bid against all those who want to borrow money—businesses, individuals, and so forth.

Mr. Chairman, I could discuss the grave issue presented to the House by the inaction of the majority party in approving only a small part of the President's request for legislation at considerably greater length. Time will not permit my dealing with this subject as fully as I would like. I would, however, refer you to the supplemental views of the minority Members set forth beginning on page 29 of House Report No. 1148 which accompanies this legislation to the floor of the House. I would also call your attention to previous remarks that have been made by the Republican members of the Committee on Ways and Means which appear in the CONGRESSIONAL RECORD. Specifically, I would refer you to the CONGRESSIONAL RECORD of July 23, 1959, beginning on page 14162; the CONGRESSIONAL RECORD of July 30, 1959, beginning on page 14855; and the CONGRESSIONAL RECORD of August 18, 1959, beginning on page 16246. The facts, the issues, the considerations are presented in those documentary references.

Mr. Chairman, I have made frequent reference this afternoon to the Republican members of the Committee on Ways and Means. That is not to say that the issue before us today is a partisan issue as far as we are concerned. I will predict that the Republican Members of the House will virtually vote to a man in favor of the motion to recommit that will be offered. This will not be a partisan vote as far as we are concerned. Instead, it will be a vote to protect the investment of the very citizens we are purporting to benefit under the majority bill, namely, the holders of series E and H bonds. It will be a vote to protect the fiscal solvency and the integrity of the credit of our Nation. But I would make this point unequivocably clear that if the Democratic Party opposes the motion to recommit that I will offer instructing the Committee on Ways and Means to report back to the House immediately with a bill dealing more realistically with this problem, the responsibility for the consequences of that opposition must rest solely and exclusively with the Democratic majority in the House of Representatives.

Mr. Chairman, the motion to recommit that I will offer while some two pages in length can be simply described.

It embodies the provisions of the bills H.R. 8637 and H.R. 8638 which are identical measures cosponsored by the gentleman from Virginia [Mr. HARRISON], and myself. We introduced these bills at the direction of the Committee on Ways and Means after their substance had been given tentative committee approval.

These bills would deal responsibly and realistically with the problem of debt management by giving to the Executive adequate authority to seek Government borrowing in the most economical money market and to place an appropriate portion of the debt in long-term maturities. The motion to recommit would include the general substantive effect of all the provisions of H.R. 9035. But the motion would provide that for a 3-year period, upon a finding by the President that such action was in the national interest, the Secretary of the Treasury would be allowed to disregard the 3.26 percent ceiling on series E and H bonds and in addition he would be allowed to exceed the 4¼-percent ceiling on marketable securities having a maturity in excess of 5 years. In addition the motion would include the same sense of Congress expression contained in the bills introduced by the gentleman from Virginia [Mr. HARRISON] and myself which has been termed unobjectionable by the administration.

Mr. Chairman, let there be no mistake that a vote for this motion to recommit is a vote against inflation; a vote to defeat this motion to recommit is a vote in favor of inflation. After this vote is taken we will know who the inflationists are. The taxpayers of our Nation will know; the retired citizens living on fixed incomes will know; indeed, the world will know. The world will also know whether or not the Congress of the United States is willing for our Federal Government to take the courageous steps necessary to preserve the integrity of our national credit, the soundness of our dollar and our fiscal stability. Remember, the public confidence, at home and abroad, in our country, is at stake in the vote on this motion to recommit.

Remember, also, that this is not a vote for higher interest costs on the public debt. Instead, it is a vote to give authority to the Secretary of the Treasury to manage our public debt at least cost to our taxpayers and with minimum interference with the functioning of our free enterprise economy. If the motion is defeated, the small businessman who 3 months from now has to pay more for the money he needs for working capital or for capital improvement will know by reading the rollcall of this vote who is responsible for the tight money in the short-term market. A vote against the motion to recommit is a vote for tight money insofar as funds for borrowing are available to our consumers and to our small businessmen.

May I at this point say that at one stage of the game 15 of our members of that committee against 10 favored the reporting out of the bill which will be the recommittal motion basis to be offered a bit later on.

It is true that our committee has gone up the hill and down the hill. Believe me, a promise to wait until next year and allow inflationary circumstances to continue to grow between now and that time is not only foolish, it is dangerous. What we should do today is to adopt and send to the other body the substitute which is the basis of the recommittal motion to be offered later on.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I take this time mainly to try to set the record straight on this very controversial issue. I think I can say in all sincerity that I have been sympathetic to the problems that Secretary Anderson has brought before the committee in connection with this matter. I think, too, that I can say that I share the concern that most Americans do about the spiraling of interest rates throughout our country.

As a matter of fact, only on the day before yesterday it was announced by the principal banks in New York that the prime rate of interest had moved up to 5 percent. That means that the very best loans, the best risks that are available in this country must pay a prime rate of 5 percent, which means that when you get down to the lesser valued risks the rate will vary from 6 to 7 and 8 percent. There is no telling how high it may go.

So, between the two propositions, namely, that of responsible financing of this tremendous public debt and the proposition of attempting to keep the cost of money at a reasonable rate, our committee has attempted to operate. Now let us review a little bit what really transpired. My good friend, the gentleman from Pennsylvania [Mr. SIMPSON], said 15 members voted to report the bill, which he is now supporting. So far as I know, that is not technically correct. Fifteen members voted to consider such a bill, but the bill that we originally agreed upon, where 18 members out of 25 members of the Committee on Ways and Means instructed the chairman to introduce a bill, was the one I am going to refer to in just a moment. I say this, Mr. Chairman, without fear of contradiction—if it had not been for what I consider the shortsighted opposition of Governor Martin, of the Federal Reserve Board, this matter would have been disposed of at least a month ago, and pretty generally to the satisfaction of everybody concerned.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. SIMPSON of Pennsylvania. The bill to which the gentleman referred did include the provision eliminating the 4¼ percent. It had the approval of 18 members.

Mr. BOGGS. Oh, yes; it did.

Mr. SIMPSON of Pennsylvania. So the committee at that time thought it was good legislation.

Mr. BOGGS. Yes; and the bill I refer to includes the provision that is in the bill the gentleman is going to offer as a substitute on a motion to recommit.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield for an observation on the point that he is just making?

Mr. BOGGS. I yield to the gentleman, if I can get a little more time.

Mr. CURTIS of Missouri. The Chairman of the Federal Reserve Board is not a member of the administration, and it was the administration that was requesting this; was it not?

Mr. BOGGS. Well, I must confess that kind of an argument is a tweedledee and tweedledum argument. I do not know what the Federal Reserve Board is. As a matter of fact, I get the impression it is a fourth branch of the Government. That we have a Congress of the United States, the judiciary, the executive, and a Federal Reserve Board.

After a great deal of debate, and this was a serious debate, and I do not think the members of the Committee on Ways and Means should be criticized for what transpired there—after having serious debate, we voted 18 to 7 to instruct the chairman of the committee to introduce a bill which carried out what the gentleman from Pennsylvania [Mr. SIMPSON] wants to do with one or two exceptions. We had in that bill what we called a sense of Congress resolution. Let me read this to you and see how much objection any of you can find to it. This is the language that Governor Martin said he could not accept under any conditions. I will read it to you:

It is the sense of Congress that the Federal Reserve System, while pursuing its primary mission of administering 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 in so doing the System should, wherever feasible, bring about needed future monetary expansion by purchasing U.S. securities, of varying maturities.

That is the end of the quote and the end of the sense resolution.

This was the language that the Federal Reserve Board said under no conditions could it accept. I might say in connection therewith there came about an exchange of correspondence between the Republican members of our committee, if I remember correctly, and the distinguished gentleman from Texas, the honored and revered Speaker of the House of Representatives, Mr. RAYBURN. I was very pleased, in that connection, to read in a very conservative and well thought of business publication, Business Week, for August 1, 1959, just a month ago, the following editorial in connection with that exchange of correspondence.

It is very short; I will read it to the Committee. The title is: "The Speaker's Rebuke."

Speaker SAM RAYBURN has a sharp tongue, but there was considerable justice as well as sharpness in the rebuke he administered last week to some of the more vocal supporters of the Federal Reserve Board.

"I have been forced to the conclusion," RAYBURN declared, "that the Federal Reserve authorities have reached a point in their thinking where they consider themselves immune to any direction or suggestion by the Congress, let alone a simple expression of the sense of Congress."

Without referring to the editorial I must say that it seems to me that any reasonable person would agree with that conclusion in the light of the language which I have just now read; but returning to the editorial, it continues:

Speaker RAYBURN'S voice is a powerful one in Washington, and when he says something like this, it is worth listening to. In fairness, though, his rebuke should apply not to the Fed itself but to some of its more ardent champions who have rushed to attack the proposed "sense of Congress" amendment to the bill raising the ceiling on the interest rate the Federal Government can pay.

The merits of the amendment itself may be arguable—though it can be remarked in passing that the language is moderate and the principle has been supported by some highly qualified students of central banking (Business Week, July 18, 1959, p. 128).

But whether the amendment is wise or foolish, the right of Congress to give these or any other instructions to the Fed should be beyond question. The Fed itself has always acknowledged this. But some of its partisans with their charges of a "political foray" seem to have forgotten it.

It is a basic principle of our Government—and an excellent principle—that the expert administrator operates not by divine authority but by virtue of his ability to persuade duly elected representatives of the laity that he knows what he is doing.

Regardless of what happens to the "sense of Congress" amendment, it will be a sad day for the country—and for the Federal Reserve System—if we ever try to operate on any other basis.

That is the end of the article.

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

Mr. BOGGS. I yield to the gentleman.

Mr. REUSS. Is it not a fact that the editor of Business Week is a very distinguished Republican, Mr. Elliott Bell, economic adviser to former Governor Dewey?

Mr. BOGGS. He could be; I really do not know.

In connection with editorials I note that some commentators—and I am always interested in commentators—you know some fellow said that you study medicine all your life and by the time you are ready to die you know a little bit about one part of medicine. Maybe the same thing applies to other professions, but these commentators and editorialists become authorities on everything overnight. I notice some of them are saying that our great Speaker has lost some of his influence and some of the affection of the Members. Without going into the record of Congress, because it is still being written, I daresay that come next week or whenever it does come that we close this first session of the 86th Congress, that it will be one that all of us can be proud of and that the stamp of SAM RAYBURN will be all over it; and it will be a good stamp.

Frankly, Mr. Chairman, I hate to say it, but I am afraid there has been a good bit of politics played in this thing. I do not accuse Secretary Anderson of playing politics, I genuinely do not. I think he is one of the great men in our Government. But I am concerned about Governor Martin and the people on the Federal Reserve Board who brought enough influence on our committee and the other Members of this body to have this language withdrawn.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. No; I am not going to yield.

Mr. CURTIS of Missouri. The gentleman has made a very serious charge.

Mr. BOGGS. It is going to stay in the RECORD.

Mr. McCORMACK. The gentleman has made a moderate charge.

Mr. BOGGS. The charge I made will not be changed in one iota.

When we talk about fiscal responsibility of the Government, I think the record shows that we on the Democratic side have attempted to maintain that responsibility since we have had the authority to do so. This business of throwing out words like "inflation," "spenders," and all of these other scare words that are being used should be stopped. As a matter of fact, I have not been able to count the appropriations as they have not been finally totaled, but it looks as if by the time the record is written next week or the week thereafter we will have appropriated considerably less than Mr. Eisenhower asked for in his $77 billion budget which he submitted to the Congress last year before Congress met.

The idea of coming here after the Ways and Means Committee has acted and has instructed the chairman by a vote of 18 to 7 to report this bill and saying they would not take it under any condition should not permit the administration to complain when we give them the authority to handle the E- and H-bonds. Incidently, these long-term issues which you are complaining about are not due as far as I know within the next 12 months. Is that correct?

Mr. MILLS. The gentleman has reference to the fact that none of them become due until next year.

Mr. SIMPSON of Pennsylvania. There are $80 billion to be refinanced in the next 12 months, no part of which can be separated.

Mr. MILLS. None of the long-term bonds come due until next year.

Mr. SIMPSON of Pennsylvania. It makes no difference whether it is a long-term debt or a short-term debt, we have to borrow the money to refinance the long-term debt or the short-term debt and unless we change the law we can only borrow in the short-term market, which is up to 5 years.

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

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. BAKER. I am interested in the statement made that this bill was reported by a vote of 18 to 7.

Mr. BOGGS. I did not say that, I do not believe.

Mr. BAKER. What in the world can the 10 Republicans do to keep that bill from being introduced and reported to the floor?

Mr. BOGGS. I am not charging anyone with anything. I am saying to the gentleman and to all Members of this body that the word was conveyed to me

and as far as I know to my colleagues on the committee, that this so-called sense language was not acceptable to the Federal Reserve System.

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

Mr. MILLS. Mr. Chairman, I yield the gentleman 4 additional minutes. Will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Arkansas.

Mr. MILLS. Certainly the word was conveyed to us that the administration would not accept a bill all of the 18 members told me to introduce as long as that language was in it. The bill was unsatisfactory if it contained that language. The matter could have been resolved in July or August had that language been acceptable. The gentleman from Louisiana knows that the objection that was made to it at the time was just simply patent nonsense.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I have very little time, but I am happy to yield to the gentleman.

Mr. CURTIS of Missouri. I would like to ask the chairman of the Committee on Ways and Means if that was submitted to the committee? I do not know what dealings were going on with the chairman or with somebody else.

Mr. MILLS. I had no intention of introducing a bill to try to help the administration with a problem that the administration would not support.

Mr. CURTIS of Missouri. Does not the gentleman think it should have been submitted to the committee?

Mr. BOGGS. I cannot yield further.

Mr. Chairman, we must put this thing in perspective to understand the dilemma faced by members of the committee, and I refer to those on each side, and why this sense resolution was so important. The prime rate of interest was 5 percent, the Government came in and asked for authority to raise its rates across the board. With these rates going up it meant building and loan associations, savings banks, municipalities, State bond issues, public works issues, the whole gamut of the interest structure, had to go up proportionately.

What we were trying to do was to reach a position where we could have some degree of control over this precipitous proposition. We did not think for one moment that this sense resolution in itself would do that, but we did feel that this was an expression of the feeling of the representatives of the people so that we might maintain some ceiling on these interest rates.

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

Mr. BOGGS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We hear a lot of talk about what happened in the Committee on Ways and Means with reference to the sense resolution. The minority has the power to offer a motion to recommit. There is nothing to stop them from including in the motion the sense resolution.

Mr. SIMPSON of Pennsylvania. I would say that the sense of Congress resolution is in there, the one presented by the gentleman from Texas [Mr. IKARD] and adopted. The objectionable one is not in there.

Mr. BOGGS. I am glad the gentleman used that term "objectionable" because this, of course, pins it down. The gentleman from Missouri a moment ago inquired of me as to where the objection came from and the gentleman from Tennessee [Mr. BAKER] inquired of me as to where the objection came from. I am happy that the gentleman from Pennsylvania has pinned it right down. It comes from the administration. And, the best proof of it is that in the gentleman's substitute he does not include the language which was included in the original bill.

Mr. SIMPSON of Pennsylvania. Permit me to say that it was Mr. IKARD's amendment which is included in the Harrison-Simpson bill.

Mr. BOGGS. I understand that, and I bow to the gentleman from Texas [Mr. IKARD]. I supported him. I was one of those who voted with him, because I feel this is a problem that we should try to work out. And, I never saw a man work harder to help resolve this problem than the gentleman from Texas, but he finally gave up and said, "My goodness. There is no way to satisfy the Federal Reserve System." That is the record, my colleagues.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I would like to direct a question to the chairman of the Committee on Ways and Means as to whether he or anyone else contends that the bill we have before us, H.R. 9035, provides for good debt management.

Mr. MILLS. My thought is, to the extent that it goes, it does provide all necessary authority to accomplish good debt management with respect to E- and H-bonds. I have very serious doubt at the moment with respect to the part that the gentleman would include of exceeding the limit on long-term bonds, the 4¼ percent limit. I would like to know more about how much of the debt is intended to be put in these long-term securities at an interest rate in excess of 4¼ percent and indeed, whether we need a rate in excess of 4¼ percent with the change in savings bond rate.

Mr. CURTIS of Missouri. I thank the gentleman for his answer. Of course, the point is that in order to have a bill on good debt management, we should do something about the ceiling on long-term bonds. As to the sense of Congress resolution, I do not know just where that comes in on a question of debt management, because actually it pertains to the subject of the Federal Reserve System and the way the Fed handles itself. That is a very interesting point, incidentally, because legislation affecting the Federal Reserve System under the jurisdiction of the House is in the Committee on Banking and Currency and has never been in the Committee on Ways and Means. The Committee on Ways and Means is concerned with the problems of the Treasury Department as they relate to proper debt management. It is perfectly true that the Congress does have control over the Federal Reserve, and I think a grave injustice has been done to Mr. Martin, the Governor of the Federal Reserve Board, in stating that he in any sense has implied that Congress does not have control over the Federal Reserve Board. It, in effect, is a creature of the Congress, and the Congress can change the Federal Reserve Act any time the Congress sees fit. Now, if the gentlemen who have been promoting this sense of Congress resolution were as sincere as they profess to be in attaining that particular end, why did they not present it to the Committee on Banking and Currency and get the change made at that time?

Now, I must say this, and I hope the gentleman from Louisiana is here, because he made a very serious charge, and I think we ought to examine it to find out just what he did mean. He said that the Federal Reserve Board exercised great pressure. I do not know just who the pressure was exerted upon and I do not know what he meant by "great pressure," but the implication and the innuendo of the word "pressure" certainly indicated something improper. I would like to have the gentleman from Louisiana identify just what he meant by the word "pressure" and whether he did mean something improper or whether he was simply referring to the facts and the logic that were presented in the full committee hearings by the Chairman of the Federal Reserve Board.

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

Mr. CURTIS of Missouri. Perhaps the gentleman from Wisconsin can answer that point, and I yield to him.

Mr. REUSS. I reply only because the gentleman from Louisiana seems to be absent from the Chamber at the moment.

On July 8 of this year the Committee on Ways and Means by an affirmative vote of 18 members, as has been stated, adopted the so-called sense resolution. That was on, I believe, a Thursday. That same day the administration, through Secretary of the Treasury Anderson, accepted the package saying they could live with it. According to the Wall Street Journal, the next Monday Governor Martin spent some time with the President in the White House. We do not have a transcript of the discussion, of course, but the fact is that the next day the administration made a 180-degree switch and came out against the package which the Committee on Ways and Means, with a very statesmanlike approach, offered. I am sure that is one of the things that the gentleman from Louisiana [Mr. BOGGS] had in mind when he said there was pressure brought by Governor Martin on the administration.

Mr. CURTIS of Missouri. I am glad to have it identified that much. This is

news to me. I do not know where this omniscience comes from.

Mr. REUSS. From reading the Wall Street Journal.

Mr. CURTIS of Missouri. I am glad to know that that is the gentleman's authority and that that is the source. Actually this matter was not presented to the Ways and Means Committee. The Republican members, I might state, on the Ways and Means Committee, certainly never changed their position on this particular sense of Congress. We had accepted it. We had worked the thing out. As a matter of fact, the Committee on Ways and Means did not even meet for another 2 or 3 weeks, as I recall it, at which time the chairman and the gentleman from Texas offered a substitute resolution which was presented, on the basis that this would be acceptable to certain groups on the Democratic side, so that it could get through the House; otherwise it would not be voted up by the House of Representatives. That was the argument used in the committee as to why the Committee on Ways and Means should not do what they thought was right, because we could not get it through on the floor of the House. The position on our side of the aisle was that if we thought it was right, let us go to the House, present our arguments and let those who disagreed with us have the opportunity to present their side. Then we could see whether or not the House wanted to back us.

At one stage of the game I made this remarks in the Ways and Means Committee, that I thought that all we needed was about 80 votes on the Democratic side of the aisle and we could get the package through, just as the administration had requested, which included the Ikard amendment. The latest argument for no House action is that it is not the House that would not act but that the Senate would not act. That is when we got into this long course of up and down the hill and up and down the hill.

Mr. Chairman, what I want to get back to is this. I think it is very wrong for irresponsible statements to be made in debate. Statements made in debate ought to be backed up. I am satisfied from my knowledge of Bill Martin, the Chairman of the Federal Reserve Board, that he would never exercise anything that could even be implied as being improper pressure. Certainly he advanced arguments and facts as best he could. It was his duty to do so. Is it not very strange that a Republican has to take the floor of the House to defend the former Assistant Secretary of the Treasury under Mr. Truman, because that was Mr. Martin's position before he became Chairman of the Federal Reserve Board. This man is a dedicated public servant. I may disagree with him or agree with him. There are some things on which I have disagreed and others on which I have agreed. But I do not think anyone on either side of the aisle should imply that Bill Martin does anything other than act with a full sense of his own conviction of what is right, and he does it above board and in open committee hearings so that all the facts can be seen.

I think the gentleman from Louisiana [Mr. BOGGS] owes an apology to the Chairman of the Federal Reserve Board for the innuendo that he has left here.

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

Mr. CURTIS of Missouri. I yield.

Mr. BOGGS. I have no intention of apologizing. I stand on the statement that I made.

Mr. CURTIS of Missouri. I am very sorry that the gentleman from Louisiana has said that. I think he owes it not only to his colleagues on his side, but to himself, to the rest of the House, and to this country to back up his charges of pressure. I do not know what the gentleman meant when he said pressure. I assumed, and the innuendo was, that it was something improper, something other than facts and arguments.

Mr. BOGGS. Mr. Chairman, will the gentleman yield further?

Mr. CURTIS of Missouri. I yield.

Mr. BOGGS. The answer was very simple; "We will not accept this bill."

Mr. CURTIS of Missouri. Is that what the gentleman meant by pressure? Will the gentleman from Louisiana answer that? Is that what the gentleman meant when he waved his arms and shouted around here about pressure?

Mr. BOGGS. When does the Federal Reserve Board have the right to dictate to Congress? That is dictation.

Mr. CURTIS of Missouri. I might say to my friend that he did not have to dictate to the Congress, if the Ways and Means Committee had done exactly what we on our side wanted to do, namely, come in before the Congress and the House and present this matter. You have the votes. What does the gentleman mean by pressure? Is it the gentleman who was being pressured?

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

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. IKARD. In connection with the use of the word pressure, I think the most effective pressure that can be exercised in a legislative body was used; that is, at least as far as I was concerned. It was indicated to me by responsible men on the Republican side that even though the committee had voted 18 to 7, or something like that, to introduce the bill, when it came up to the matter of reporting it, there would not be a single Republican vote for it.

Mr. CURTIS of Missouri. Oh, no.

Mr. IKARD. I am just reporting what I was told by Republican Members. Would the gentleman have voted to report the bill out?

Mr. CURTIS of Missouri. Yes; as a matter of fact I did on the 18 to 7 vote. And I also voted for the gentleman's amendment. And my position was that I was even for reporting this particular bill out.

Mr. IKARD. Mr. Chairman, will the gentleman yield for a correction?

Mr. CURTIS of Missouri. I yield.

Mr. IKARD. The gentleman referred to both of these amendments as being mine. While I voted for both of them, and I have no apology to make for that, I have asked that the minutes of the committee be checked, so that I may be correct.

But my recollection, which I have confirmed with the staff of the committee, is that I offered neither of these amendments and they were offered by other distinguished members of the committee. If they are called by my name, that is fine with me, but I would just like the record to be straight.

Mr. BOGGS. Mr. Chairman, will the gentleman yield? He mentioned my name several times.

Mr. CURTIS of Missouri. I want to make a final statement because I have only 1 additional minute.

Mr. BOGGS. I yielded to the gentleman several times.

Mr. CURTIS of Missouri. I have yielded to the gentleman from Louisiana.

Mr. Chairman, I simply want to say this. Getting away from all this discussion, we are faced with a very serious situation. If we do not do something along the line proposed in this motion to recommit, which will bring back to the House a bill which will permit long-term bonds to be sold, we are going to create an inflationary situation that is going to badly damage this country. We cannot wait for 3 or 4 months. The damage will already be done. I predict, and I hate to predict anything of this nature, but if we do not take this action, we are possibly going to have to come back into special session to meet this problem. I think it is that serious. So, entirely apart from what happens, let us examine where we are now and whether, indeed, it is not necessary to grant to the President the authority he is asking for in order to be able to market some of this Federal debt in the long-term bond field instead of short term. We are paying well above 4¼ percent interest in the 5-years-and-below bonds, and that is inflationary as well as expensive. If we continue to confine the Federal Government to borrowing in the short-term market, we will be forcing more costly debt financing at higher interest rates.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, let us leave the Federal Reserve Board and its problems and its actions out of this situation. I want to try, in the few minutes given to me, to picture the problem, and it is a serious problem that confronts this Congress in the provisions of this bill. First, I want to say this. That this Congress and previous Congresses have spent billions of dollars more than has come into the Treasury. Therefore, to get the money to pay the bills, the Treasury has had to borrow in order to pay those bills. That is the first point I want to make.

The second point I want to make is this. The Treasury has just two ways to get the money to pay the bills. One way is the long-term way, on which 40 years ago the Congress placed a 4¼-percent limit on the interest. The other

way is the short-term way below 5 years, the E- and H-bonds plus other short-term paper. On the short term, they can pay and have paid much more than the 4¼ percent. The Treasury could, if it wanted to, on the long term by evading the law sell its long-term 4¼-percent bonds at 90 percent of par or 80 percent of par, and thereby pay 6 or 7 percent interest. But that would be indirectly avoiding the law.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield for a question?

Mr. MASON. I will not yield for any questions.

Mr. Chairman, we have that proposition before us. If we refinance and borrow the $13 billion more that we have spent this last year on short-term paper, we are competing in the money market with other people who are borrowing to expand their businesses and that is very inflationary. A 91-day piece of paper is exactly the same as cash. It can be used in exchange and you can take it to the bank. It is due in 91 days. It is exactly the same in its operation as currency. Now to avoid that, the administration and particularly the Treasurer of the United States came in and said in order for us to manage the financial affairs of this Nation, we would like to have that 4¼ percent taken off the long-term obligations so that we can put more of our financial problems into long-term paper, and thereby avoid the inflationary situation. But in this bill we say, No, we are not ready to do that; you will have to manage the long-term debt and the finances of this Nation with handcuffs on. In other words, we are impeding the efficient, the effective, the sensible handling of the public debt. That is exactly what we are doing when we refuse this one thing that above all things is necessary in order to handle the debt of this Nation effectively.

That is the picture. I have painted it as clearly and as simply as possible. We are responsible for the debt; we are responsible for tying the hands of the Treasurer, so perhaps it is our obligation to correct that trouble.

Mr. KNOX. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. KNOX. Mr. Chairman, this legislation which is before us today may give some help in the managing of the national debt, but it is a long ways away from the flexibility that is needed if the Secretary of the Treasury is to be able to manage the national debt in a manner consistent with the best interest of 177 million Americans.

It is difficult for me to understand why there is so much opposition here today to the proposal to remove the interest ceiling on long-term obligations. If I recall correctly, I believe it was on February 4 of this year that this House voted in favor of increasing the interest rate on veterans' home loans to 5 percent. The justification that was given for the increase was that there was no money available at 4¾ percent for the veterans to obtain a loan.

Let me also point out to the membership that on June 2, 1959, the Baltimore Sun quoted Senator JOHNSON as follows:

> Senator JOHNSON * * * pointed out that in the single showdown in which high interest rates had been at issue, the Senate majority, including a majority of Democrats, had voted to pay the rates demanded by the market. The pending bill had been a GI housing measure.

So here the Democratic majority in the other body saw the light and voted to raise the interest rate to 5 percent on GI housing loans so that the GI's would have an opportunity to finance their housing, but the Democratic majority in the House cannot see the light with respect to helping all Americans protect the integrity of their savings and purchasing power.

Business News analyst Sam Dawson wrote for the Associated Press:

> If the Treasury could sell more long-term bonds to investors and more U.S. savings bonds to individuals, it would tend to dampen the fires of inflation, since such money wouldn't be breeding new credit, as short-term Treasury bills do.

One amazing statement that happens to be in the supplemental views of the committee report on page 45 is a quotation from the Baltimore Sun in which Senator DOUGLAS is quoted as saying this:

> I believe in a competitive interest rate. I do not believe that the Government should artificially lower the interest rate. Without such flexibility, the Treasury will be forced to adopt inflationary expedients and the soundness of the dollar will be even more seriously threatened than it is.

I have supported removal of the ceiling on the interest rate so far as long-term bonds are concerned because I believe it is in the best interest of my country; I believe it is one manner in which we can give flexibility to the Secretary of the Treasury so that he may be able to go into the long-term market and sell our securities at the lowest possible cost to our taxpayers. I am opposed to forcing the Treasury to finance exclusively in the short-term market which takes away the capital that is necessary to the consumers and small business people that are the backbone of our free enterprise economy. Of course, the more demands there are for money at short-term level, the higher the interest rates shall be and the Government will have to pay that rate.

On page 82 of Business Week of August 29, 1959, appears an article headed, "Is the Government Headed for a Crisis?—Congress Refusal To Lift U.S. Bond Issue Ceiling Is Starting Chain Reaction Toward Higher Rates All Around."

Mr. Chairman, I submit we cannot blindly refuse to deal with reality. We must allow the Treasury authority to finance the $290 billion public debt in the cheapest money markets. Let there be no doubt that those who oppose the full package administration proposal are the inflationists.

Mr. Chairman, it has been contended that removing the 3.26 percent ceiling rate on savings bonds is the most effective action the Government can take in combating inflationary pressure, inasmuch as sales of these bonds directly absorb consumers' purchasing power. It is also argued that removal of the 4¼-percent ceiling on marketable Treasury bonds would be inflationary, in that the higher rates on these bonds would lead to larger purchases by commercial banks and an increase in the money supply.

The removal of the savings bond ceiling rate, which will permit the Treasury to raise the rate of E- and H-bonds to 3¾ percent, will indeed facilitate efforts to combat inflation, because it will enable the Treasury to sell more securities directly to savers. Nevertheless, this action in and of itself is insufficient. No one expects that we will achieve a huge upsurge in the sale of savings bonds when the new program is put into effect; rather, the goal is primarily to prevent further deterioration. This will be beneficial, but it will by no means solve all problems of debt management.

The idea that removal of the 4¼-percent rate on marketables will lead to greater commercial bank purchases of Government bonds is absolutely incorrect. In the first place, banks are not interested today in buying Government securities, and especially those of more than 5 years' maturity. The pressure of loan demand on the part of consumers and businesses is so strong that banks are hard pressed to meet these demands with the limited funds available. This is what led to the increase in the prime lending rate earlier this week. It is only in periods of recession, when loan demands are slack and reserves readily available, that banks tend to buy many securities of more than 5 years' maturity, and even then they seldom go beyond 10 years. It is ridiculous to believe that they are interested in acquiring long-term Governments under the circumstances of today.

Secondly, if banks were to be interested at all in buying more Governments under today's conditions, they would almost certainly be shorter maturities—of less than 5 years. Banks now want to maintain their liquidity, not eat it up by putting funds into long-term investments. Consequently, restriction of the Treasury to borrowings on less than 5 years involves a much greater danger of commercial bank purchases of Governments and a resultant growth in the money supply.

Third, even if banks wanted to purchase long-term Governments at yields higher than 4¼ percent, they could easily do so right now—simply by buying some of those issues in the market. For example, the Treasury bond maturing in February 1965 is now yielding 4.75 percent. And if this bond were purchased by a bank in the 52-percent tax bracket, and held to maturity in 1965, the "taxable equivalent" return would be almost 6 percent. Thus, there are plenty of high-yielding long-term Governments available for banks that want them today. But they do not want them; they are striving to meet demands of customers for loans.

Finally, as has been emphasized many times, removal of the 4¼-percent ceiling will not cause interest rates to rise. Removal of the ceiling would be merely a recognition of the market situation—of what has happened because business is booming and demands for credit have risen to very high levels. We cannot repeal the quotations on Government securities that are made in the market every day.

Thus, the fact remains that if the Treasury is to be able to handle the debt in a sound, noninflationary manner, it must be free to borrow long-term as well as short-term money. So long as the ceiling exists, with current levels of rates, the Treasury is forced to do all of its borrowing on less than 5-year maturities. This increases the danger of a growing money supply, further inflation, and a decline in the purchasing power of our savings.

Mr. Chairman, I urge my colleagues to support the endeavors of the Republican members of the Committee on Ways and Means to improve the bill, H.R. 9035, and to then vote for its passage.

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

Mr. KNOX. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I have listened with a great deal of interest, even as I have in committee, and I appreciate the privilege of participating in the Ways and Means Committee deliberations.

I would particularly like to call the attention of my colleagues to the minority report, page 29, because while this is a somewhat technical matter, no matter what your final viewpoint, you will will have lots of information that will help you when you go back home and in today's debate.

I want to call the attention of the House to something which I think is very interesting. While we are a political body, indeed, it is not often that men agree entirely within each party, on either side of the aisle. Neither do people agree in a family. So it is surprising to find that the Republicans are 10 out of 10 in Ways and Means Committee and we agree with the recommendations of the President, the Secretary of the Treasury, Chairman of the Reserve Board, Mr. Martin, most of the bankers, and most of the newspapers. I simply feel that you ought to know there is a weight of feeling behind the expression that you will find in the minority report. To whatever degree politics has become a part of this bill and debate in trying to make an issue of whether you are for or against higher interest rates, I decry it as wrong.

What is an interest rate? Here is how I will try to explain it this fall back home. Interest rate, as I define it, is nothing but the cost of using somebody else's money. You might call it renting money. If you can get your hands on it, you have to pay a price for the use of somebody else's money. That is what interest is. Naturally, you get it depending on the normal factors of demand and supply. That, to me, is all there is to it, most simply stated.

What the Secretary has asked us for is the right to have flexibility in setting interest rates. We are asked to remove the ceiling. It is for reasons of flexibility that the Secretary testified. It is quite possible there will not be an increase in interest in many cases when negotiating in the market of long-term money. On occasion we can actually expect to borrow at a lesser rate than what we would expect otherwise.

With that thought in mind, and I hope I can have the chairman's attention, I want to call your attention to Secretary Anderson's statement. It was a masterful presentation, whether you agree or disagree with the viewpoint of the Secretary of the Treasury. I respectfully call to the attention of my colleagues—correct me if I am wrong—that all during the time the Secretary appeared before our committee in answering questions I have yet to hear anyone take issue with him: "Mr. Secretary, you are wrong in your facts."

I simply present this to you. If I am wrong, please correct me. We are all entitled to our viewpoint and our interpretation of those facts. But I have yet to find anybody, at least as far as I recall and I was there most of the time, contradict him as to fact.

He said, "Gentlemen, what we are dealing with is the value of the currency of the United States here and abroad and the very credit standing of the United States."

To me this puts it on a plane above politics and I naturally want to think that politics will not be the deciding factor. I hope it is not.

When the Secretary made that statement, he was asked by the chairman and others present, "Mr. Secretary, is there an alternative to what you propose, that is, to remove this ceiling of 4¼ percent on long-term obligations?"

He said, "Mr. Chairman, members of the committee, there is no alternative."

I will concede he was forced to partly contradict himself but only in good faith when the chairman said, "Mr. Secretary, we do not think we can get it through the House, and we are not sure we can get it through the other body. We want an alternative."

The Secretary agreed to the alternative which was for the Congress to transfer the responsibility to the administration. When the President and the Secretary of the Treasury find in the need of the national interest the necessity to raise the ceiling, they would be permitted to do so. That was the first concession made by the Secretary after he said, "Under these facts there is no alternative."

Then he further conceded when he was asked—I do not know who directed this question—"Mr. Secretary, how about the time limit?" He said, "I believe I need at least 10 years to work within this field." Then he said, "At least, 6." But, I understand—and again correct me if I am wrong—finally, a time limit was placed on him of 2 years. He said, "I do not think that is long enough." But, again, the Secretary of the Treasury has done all he could to go along with us here after saying, "However, there is no alternative to these facts, gentlemen, that our bonds are weakening; that they are being cashed in."

Mr. Chairman, in addition, it is appropriate to note that big Federal spending, beyond Federal Government income, is the big problem. To foot the bill, the money must be raised by the Treasury. To do this, the Treasury must go into the money market and borrow. At this point, the Secretary of the Treasury is handicapped by being forced by the 4¼-percent artificial interest ceiling to borrow under 5 years where there is no interest ceiling. The result is, it actually costs more in interest which costs the taxpayer more. The Federal Government is in competition with auto purchasers, families, and small businessmen for the short term loan money. All of which is caused by the same big spenders who first occasioned the need for borrowing and, secondly, who refuse to lift the artificial interest ceiling in Government borrowing over 5 years.

It is time we accepted the fact of Secretary Anderson and lift the 4¼-percent ceiling, not just increase the interest rates on E- and H-bonds.

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

Mr. MILLS. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, it had not been my intention earlier in the day to take any time in the debate, for I felt that the issues were clear and that this would be a matter that could be disposed of in short order.

Now, however, since certain implications have been injected into this debate, I think it is only fair that the whole story be told here. In the first place the gentleman from Missouri [Mr. CURTIS], asked a moment ago about some evidence of pressure in regard to this first amendment expressing the sense of Congress to which reference was made earlier. Now, I have here in my hand a statement that is signed by 10 Republican members of the Committee on Ways and Means. It was addressed to the Speaker of the House of Representatives. It is dated July 23, 1959. The text of that letter with respect to this amendment is as follows, and I quote:

> The second amendment to which we object would express the sense of Congress that the Federal Reserve System should return to the discredited wartime practice of supporting the price of Government bonds. As evidenced by comments on the floor of the House by members of your own party, there is confusion as to whether this amendment would be mandatory or permissive on the Federal Reserve System. Regardless of its intent in this respect, its inflationary implications would tend to destroy the public confidence we seek to maintain.
>
> These amendments would be injurious to proper debt management and would tend to deprive the Federal Reserve System of the discretionary flexibility in monetary affairs that the Congress has historically recognized

the need for it to have. We are categorically opposed to any amendments that would serve to destroy the very public confidence that we are seeking to protect by this legislation.

Then the 10 Republican members of the committee go on in the letter to say why they are opposed to any amendments that have been considered to date. Now, this was after the vote in the committee to introduce a bill before it was reported. That vote was 18 to 7. Here are some 10 pages of press releases and letters, with at least 8 or 9 saying in effect that the Republicans no longer can support the measure.

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

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

Mr. BOGGS. In connection with the same document from which the gentleman is quoting, the gentleman standing to my right, Mr. CURTIS of Missouri, in his request that I apologize to Mr. Martin, to which I said I would not under any circumstances, wanted some evidence of where the pressure came from. Well, in this same document there is a copy of a letter dated July 14, 1959, addressed to the Honorable RICHARD M. SIMPSON, signed by William McChesney Martin, Jr., who is the Chairman of the Federal Reserve Board, wherein he takes great exception to the sense of the committee amendment, as he calls it. I will not take time to read his letter, but I hope that the gentleman in his remarks will make it a part of the RECORD at this point. I would also like to say to the gentleman, in connection with the apology request of the gentleman from Missouri, that he might address a similar letter to Business Week and see if they will apologize to Mr. Martin.

Mr. IKARD. I will be glad to make the letter a part of my remarks at this point.

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM,
Washington, July 14, 1959.

The Honorable RICHARD M. SIMPSON,
House of Representatives,
Washington, D.C.

DEAR MR. SIMPSON: This response to the request contained in your letter of July 13 puts in writing the gist of the comments I made in the executive session meetings of the Ways and Means Committee on the amendments to the legislative proposals originally offered by the administration.

It is my considered judgment we are facing a serious financial situation. The limitation on interest rates is unrealistic in the light of present market quotations and denies the U.S. Treasury the tools essential to effective balanced handling of its borrowing needs. By statute the Treasury is now limited, because of the ceilings, to the issue of short-term certificates which under present conditions of rising prosperity is dangerous. These short-term obligations can readily be converted into money at the option of the holder. In effect, they are a substitute for money, and thus could swell the flow of money far beyond that needed to purchase available goods and services at current price levels. The threat of a money flow out of hand has a major impact on the cost of living and places a burden on all of us.

It serves no useful purpose at the moment to argue whose fault it is that we are in our present predicament. The fact of the matter is we are in it. The committee is not being asked to vote whether interest rates should or would go up or down, but merely to grant the Treasury authority to exercise its best judgment in meeting an existing problem. We are discussing a crucial matter—the credit of the United States. Failure to deal with this could (and I was careful not to threaten or assert that it necessarily would) have the most serious implications. It was my duty to warn of this, much as I disliked the task. These are the basic facts with which we were dealing and any amendments must be considered in this light.

The amendment to retain the statutory ceilings but permit them to be disregarded if the President found the national interest so required did not seem to me to present unworkable problems. Accordingly, I did not raise objections, although I prefer the original.

The "sense of the Committee" amendment is quite a different matter. I object to this on principle. The Open Market Committee and the Federal Reserve Board are given the responsibility under the Federal Reserve Act for regulating the money supply. If the Congress wishes to spell out the means of doing this, it should amend the Federal Reserve Act and not tack this onto a debt management bill.

Furthermore, under present conditions, I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter. We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible, as I did during the hearings.

The amendment limiting the President's authority to 2 years is, in my judgment, unsound. It could be a source of embarrassment to both the next President and the then Secretary of the Treasury.

I have tried as faithfully as possible to summarize what I actually said during the hearings, and not to introduce new ideas. May I, in conclusion, thank you and all the members of the Committee for the courtesy and consideration shown me and my associates throughout the meetings. I am taking the liberty of sending a copy of this letter to Chairman MILLS.

Sincerely yours,

WM. MCC. MARTIN, JR.

Mr. CURTIS of Missouri. Mr. Chairman, if the gentleman will yield, I did address a letter to the editor of Business Week, and I got a very interesting reply, and within 3 weeks Business Week had a different approach about this whole matter. Now, to get back to the specific question here, though, the gentleman will recognize, of course, that many times we will vote a measure out of committee, feeling that we can get it on the floor of the House and argue against amendments. As a matter of fact, I voted this measure out feeling that we would have an opportunity to compose the alternatives in this narrow area. So, although I did feel that way about the sense of Congress resolution, I certainly would have voted and did vote that out of the committee, knowing that we would have the right to try to do something on the floor. One final comment, if I may. If that is all the gentleman from Louisiana is referring to as pressure, I am not worried about that. The implication of improper pressure was a matter that I was concerned about.

Mr. BOGGS. Mr. Chairman, if the gentleman will yield further, of course, I am not a member of this administration and I do not know how heavy pressure can get. They tell me that a few days ago on a certain matter here there was a lot of pressure, so I consider this very severe pressure.

Mr. CURTIS of Missouri. Evidently it was severe enough to make the Democrats change their minds on the thing.

Mr. IKARD. Mr. Chairman, as I said in the beginning, these are collateral matters away from the basic issue. I think it is reasonable that the Treasury be given these technical amendments that provide the implements for better and more effective debt management. Certainly there can be no serious objection, in my judgment, to the adjustments of the rates that savings bonds might bear. Even though admittedly I have been interested personally in trying to find some solution to this problem and, frankly feel to some degree the Treasury should have greater flexibility in the long-term securities, that is a much more serious question and one which involves some rather basic and fundamental decisions which are not at issue here in the committee bill.

It is my judgement that the committee bill should be acted upon favorably and that the motion to recommit with instructions should be voted down.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I have been very much interested in the statements of the gentleman from Louisiana [Mr. BOGGS] concerning pressure on this bill. I recall about a year ago when extention of the so-called Reciprocal Trade Agreements Act was before the House. Never was there more brazen pressure put upon the Congress than that by Eric Johnston and some others, including certain administration officials in support of that legislation. But I did not hear the gentleman from Louisiana, [Mr. BOGGS], one of the most vocal supporters of the free trade bill, cry out about that. He did not shed a single crocodile tear. I did not hear him raise his voice about pressure then; no, not for half a second. With him it apparently depends upon whose boar is in the cabbage patch.

Mr. Chairman, I took this time primarily to ask a question or two of the chairman of the committee. It is not clear in my mind what constitutes a long-term security and what constitutes a short-term security. Where does it begin and where does it end? Is it 3 years, 5 years, 10 years, or what?

Mr. MILLS. It is 5 years for long-term securities.

Mr. GROSS. Anything above 5 years?

Mr. MILLS. Anything below that does not now have a ceiling in law on interest. Only for 5 years and longer

do you have the 4½ percent ceiling except the savings bonds, and that is 3.26.

Mr. GROSS. Is that because of the restriction on the interest rate, or what?

Mr. MILLS. No, sir; there are several different descriptions of Government obligations. A bond is a Government obligation of 5 years or longer. A bill may be for 90 days or 180 days; and so on. They have different descriptions of these various obligations, but we generally refer to the long-terms as 5 years and longer.

Mr. GROSS. Mr. Chairman, I find myself in a difficult spot on the issue of increasing interest rates. I have been trying to vote for economy; I have been trying to avert this kind of a situation. And I am saying to you here and now that again today in the House of Representatives we are dealing with an effect and not the cause. We will never stop this sort of thing until we deal with the cause, which is the spending of money we do not have and the piling up of debt. This legislation will be worse than meaningless unless we remove the root of the evil.

I recall when Secretary of the Treasury Humphrey resigned he said in effect, "I inherited a mess and I am leaving a mess." He was very frank about it, and every Member of this House knows that to raise interest rates, without squarely facing the issue of deficit spending and increasing debt, will only mean more inflation and a compounding of the Government's financial troubles.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, there is an item or two that I want to call to the attention of this House before this debate closes. In the first place, I want to know that this is not a family squabble. This is recognized as worldwide. They have newspapers in Japan, they have newspapers in West Germany and in France, and they know what we are doing here today.

Here is something that might make all of you feel very proud. I notice that Japanese bonds, 15-year bonds, are selling at $101. The 15-year American bonds are selling at $80. That is a nice situation. Belgian bonds are selling at 99 to 106. Those are 15-year bonds. American 15-year bonds of the same general issue are selling at 81. So the condition of the credit of the United States is recognized all over the world. Other countries recognize that they cannot get long-term money in the short-term market. They pay a higher interest rate in order to finance themselves over a long period. What we are actually doing, if we refuse to raise the interest rate on the long-term issue is to cause inflation that will cause a depreciation in the E- and H-bonds, which are held by 40 million American people. We simply say to them, "We are going to give you half a percent more if you will hold them instead of selling them or turning them back to the Government."

But for doing that, we are going to depreciate that dollar at least 5 or 10 percent over the next several years.

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

Mr. UTT. I yield.

Mr. KASEM. Has the gentleman explored the cause as to why U.S. bonds are so far below par and are in such a disadvantageous position with all the other bonds of the major nations of the world?

Mr. UTT. Yes; I am very happy you asked me that because I was going to explain that in a minute. Every time we raise the cost of short-time money, the yield is higher. Therefore, the yield has got to be higher on longtime bonds and the value has got to go down in order to keep the yield up. So if you raise the interest rate on short-time bonds, to 5 percent, or 6 percent, or 7 percent, to which it may go, the value of the longtime bonds is going to depreciate from 5 to 10 points more in order to yield the same rate because, if you will follow the daily quotations, every time the interest on short-time money increases, the yields are higher and the yield has got to be higher on the longtime bonds, and they, in turn, have to depreciate in value in order to maintain the same yield.

Mr. KASEM. Might I not suggest then that the proper solution would be not to increase the yield on short-term obligations.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. UTT. Of course, if you do not raise interest rates on short-time money, you just do not get the money. I go to a bank to borrow money and what they ask for the use of the money, I pay or I do not get my money. That is what the Treasury is going to find in the money market. With reference to that "sense of Congress" or "no sense of Congress" as it sometimes has been referred to in the national magazines, I want to say it is not what it says or what we believe it said, it is what the people in Paris, Japan, and Germany and London thought it meant, and they thought it meant a spiral of inflation. They own $13 billion worth of our bonds in these foreign countries, and they can redeem them in American gold at Fort Knox. They can come over here with a truck and go home with $13 billion in gold from Fort Knox, and then where is your gold reserve?

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in support of this measure, and I want to indicate why. I endorse the arguments advanced by the distinguished chairman of the Committee on Ways and Means.

In supporting this, I still refuse to support the increase in interest on other long-term Government bonds. I think there are a number of significant differences.

I think we must differentiate between the E- and H-bonds and the long-term Government bonds.

In the first place, the E- and H-bonds are only bought, or almost exclusively, by individuals.

Therefore, they represent true savings and do not represent new money simply created by the banking system. At a time such as this, we should be particularly concerned to encourage true savings. This bill will have that effect.

Second. There can be no speculation in these bonds. They are not negotiable. It is individuals who buy the E- and H-bonds. No one can buy more than $10,000 worth in any one year. They can only be sold back to the Treasury. Consequently, they are sufficiently safeguarded so that the public is assured that no one will make any financial killing from the purchase or sale of these bonds.

Third. These bonds are publicly safeguarded against loss by those who buy the bonds. Some long-term Government bonds are now selling near 80, which means that the purchasers have taken a capital loss of approximately 20 percent, because of the failure of the administration and the Federal Reserve to fight inflation in the price of money—in interest rates.

Fourth. E- and H-bonds are pegged. It is interesting that the administration, which apparently opposes any other pegging of the market, has no objection to pegging the price of these bonds. The investors, therefore, are protected against losses arising from manipulation which raises the price of money and shrinks the value of the bonds. On the other hand, because the bonds are not negotiable, there can be no quick capital gain from the sale of such bonds at a later date when the interest rates fall.

Fifth. By providing additional encouragement to individuals to increase their purchases of Government bonds, we may relieve some of the pressure that the administration's hard-money policy has created and, therefore, permit an easing of the interest rate. The interest rate could be eased by changing the practices of the Federal Reserve, but since we do not seem to have any influence on that, we can at least offer some assistance here by approving this measure. But let's look at the consequences if we were ever to vote to approve the Treasury's request for unlimited-interest rates on long term Government bonds.

Assuming that the Treasury were to sell $10 billion of 40 year, 5 percent bonds, we would burden the taxpayers with a payment of $20 billion in interest over the life of the bonds without having paid off one dime on the original $10 billion of debt. Moreover, the interest rate will fall—in the not too distant future—to a reasonable long-term rate of around 2½ percent. The purchasers of such Government bonds would then stand to make an immediate capital gain approximately equal to their original investment because these bonds would gain in market value by almost $10 billion.

Every billion dollars of bonds sold, if the recommittal motion prevails, would be a giveaway of another billion dollars from the Treasury.

This would be the biggest robbery of the public Treasury ever performed in broad daylight with the consent of the Congress itself.

I cannot comprehend anyone in this House voting for what would be the biggest giveaway of this or any other administration by approving an increase in the long-term interest rate at this time.

I am firmly convinced that the present high interest rates are temporary and that it would be the height of folly to permit the Treasury now to commit generations yet unborn to long-term high-interest bonds, especially since these bonds may be nothing more than money created by the banks.

I will support the committee, but I am unalterably opposed to any motion to recommit with instructions to raise other long-term rates. We must protect the taxpayers against such a raid and against such a giveaway.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, this is a good bill. The interest rates on savings bonds should be enlarged. But the debate has centered on the whole question of the cardinal principle of the administration's economic policy: tight money and high interest rates.

It is a curious idea that a policy of high interest rates is the only way to fight inflation. High interest rates are inflation, just as are high prices for a suit of clothes or a house or a steel ingot. The higher you push interest rates or prices, the less economic activity you have. That is the way either one fights inflation.

It makes no sense to denounce someone who raises commodity prices as unpatriotic and inflationary, and praise someone who raises the price of money as patriotic and anti-inflationary.

My family has been in the banking business for over 100 years. The principle of banking which my father and grandfather followed was: Let us provide more and more loans, at lower and lower interest rates. The administration's principle is: Let us provide fewer and fewer loans, at higher and higher interest rates.

If the administration wants to fight inflation, let it present to Congress a fiscal program which plugs tax loopholes, and sees to it that we run a substantial surplus, permitting us to pay off a part of the national debt. That will bring interest rates down, and stop inflation in its tracks.

If the administration is concerned about stopping inflation, let it control the volume of consumer credit, now at an all-time high. Let it pay some attention to prices and wages in concentrated administered-price industries like the steel industry.

If the administration has the courage to come up with a real program for price stability and economic growth, I will vigorously support it. But its one-track, high-interest policy feeds inflation in the name of fighting it. It is high time the administration took a good look at its high-interest policy.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 11 minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have had many important pieces of legislation before us during this session. In fact, the labor-management legislation we voted on and finally cleared earlier today was an extremely important piece of legislation; but in my personal view none of the matters we have considered have been as important to the welfare of this country as the piece of legislation that is presently before us. It is important not only to the present but to the future welfare of the people of our country and also to the people of the entire free world.

We are the greatest country on earth today. The integrity of the American dollar is of the utmost importance to us, but it is also of extreme importance in the free world. We have before us the matter of protecting the integrity of our currency, of the dollar, which is looked to by all of the free nations of the world.

I regret, frankly, that the committee on which I serve, the Committee on Ways and Means, has turned its back upon the most pressing and important problem facing the Nation today, that matter of protecting the integrity of the American dollar and the credit of our country. Our action today will directly involve the fiscal stability of this country and the economic strength of the Nation.

Let me call your attention to a statement made by the Secretary of the Treasury. I do not think there is an individual on either side of this aisle who questions the ability, the capacity, and the integrity of the present Secretary of the Treasury; in fact, I was most pleased to hear the remarks of the gentleman from Louisiana [Mr. BOGGS]. Although he took issue with Mr. Martin, of the Federal Reserve Board, he paid a compliment to Secretary of the Treasury Anderson, and recognized his ability and his integrity. Let me quote to you what the Secretary of the Treasury said as recently as August 18:

> We have tried to make it clear that under present restrictions the Government in the management of the debt can actively contribute to inflationary pressures by being confined to short-term financing, which, the shorter it gets, is more nearly like money.
>
> We have tried to make it clear that the Government has a dual responsibility to 40 million savings bonds holders. First we should see to it that they get a fair return on their savings.

The bill reported by the committee dealing with E- and H-bonds will enable the Secretary to carry out this responsibility. But note what else the Secretary said:

> And, second, we should take such actions as will help guarantee their savings against loss in the purchasing power of the invested dollar.

Further he said:

> We have tried to make it clear that vital to the security of the free world is the maintenance of international confidence in our collective resolve to maintain sound financial systems. Because of our position as a leader in this community of nations, many countries hold large dollar deposits with us and have large investments in our securities. They have therefore a real concern in the way in which the United States manages its financial affairs. In asking to have the artificial restrictions removed from our debt management legislation, we seek to assure the people both at home and abroad that we will manage the debt in a way consistent with the preservation of the dollar as an international standard of value.

Mr. Chairman, when we refuse to accede to the request of the Secretary of the Treasury that he be given the tools with which to manage our national debt, we are not acting "consistent with the preservation of the dollar as a national standard of value." Let us recognize that we have today a debt approaching $290 billion. During the coming year we will have to go into the market to finance or to refinance between $76 billion and $100 billion of that debt, almost one-third of it has to be refinanced. We have to go into the market and find somebody who will lend us the money. The question before us is, How is this financing to be done? Are we going to give the President and the Secretary of the Treasury the tools to manage that debt and borrow that amount of money in a sound, economical manner?

Let me point out to you that this is not a matter of giving something to the present Secretary of the Treasury or giving something to the present President of the United States, in other words, doing a favor for them. It is a matter of doing ourselves a favor. How that debt is managed will determine what the dollars we earn today or earn tomorrow, or the investments which we have in savings or pensions or anything else, will amount to. This is not some favor you are doing for a Secretary of the Treasury or a President. Whether he be a Republican Secretary of the Treasury or a Republican President or a Democratic Secretary or a Democratic President, I have confidence they are going to do what they think is best in the management of the debt, best for the interests of the country. One thing I am not going to do is be a party to restricting them and tying their hands, saying, "No, you cannot do what you feel is necessary to preserve the integrity of our dollar and of our savings." Yet that is the attitude being taken by the Democrat majority on the Ways and Means Committee in its refusal to lift the interest ceiling on long-term marketable securities.

The motion to recommit, which will be offered by the minority, proposes that the Secretary of the Treasury be given the tools which he says he needs, and he says any other Secretary would need to properly manage the debt.

In the motion to recommit we will ask that he be given the tools to properly

manage the debt because under the committee bill the most important tool is denied him. He is not able to go into the long-term market for at least some of this financing, or some of this $78 billion to $100 billion he must borrow.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Is it not true that the committee bill before the House does contain this provision for the long-term debt?

Mr. BYRNES of Wisconsin. There is a technical provision providing for refinancing turnover.

Mr. MILLS. Would not that be helpful with respect to the bond values?

Mr. BYRNES of Wisconsin. To some degree but very insignificant, I would say to the chairman, as compared to putting the Secretary of the Treasury in a position where he can look to all of the potential money markets to see at the particular time, which is the most desirable from the standpoint of the economic management of this debt.

You still restrict him exclusively to short-term bonds of under 5 years. You require him to compete in the money market with the very people that you say you want to protect from high interest rate. It is to this short-term market that your average constituent must go when he needs to borrow to buy a car, or a refrigerator. It is where your small merchant must go to borrow for his inventory. Yes, the borrowings by the average person who needs money is for a period of under 5 years, the short-term.

Unless you give the Secretary of the Treasury authority to go into the long-term market, as we will ask in the motion to recommit, you force him into the short-term market to compete with these people and forcing the price these little people must pay for their money up through the ceiling.

Mark my word—if you refuse to let the Secretary look to the long-term as well as the short-term market for the borrowing that we know he must do, you will force a further increase in the interest rate that the average person in this country will have to pay on borrowed money. You will also further increase the cost to the Government in carrying our huge national debt.

You will complain next year, just as you complain now, about the cost of carrying the debt. Just remember that your refusal to face up to the facts of life today will make that cost even higher tomorrow.

You have nothing to lose; you have everything to gain by voting today to give the Secretary of the Treasury the authority he needs to manage the debt. I plead with you to be reasonable and responsible and vote for the motion to recommit.

Mr. MILLS. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, like the other members of the committee, I am supporting H.R. 9035 to give the President authority to increase the rate of interest on E- and H-bonds. Since 1958 redemptions have exceeded sales in every month. In 1959 monthly sales have decreased every month. This bill will reverse the trend and put more of the national debt into the hands of the people of America.

Now, in the remaining time I have I want to touch on the part of the package that the President is insisting upon and, we are told, is going to be part of the motion to recommit with instructions to be offered by the gentleman from Pennsylvania [Mr. SIMPSON] to increase interest rates on long-term bonds; to take the present ceiling of 4¼ percent off. Last week President Eisenhower vetoed the public works appropriation bill. In his veto message he said, "Although the cost of the unbudgeted items will be relatively small in 1960, about $50 million, their ultimate cost will be more than $800 million." Now, more than $200 million of those unbudgeted items were reclamation projects that will repay the Treasury every cent of the cost. At the same time, the gentleman from Pennsylvania and the President are proposing an increase in interest rates on long-term bonds that may eventually cost the taxpayers many times $800 million. The public debt in June was almost $282 billion. One-fourth of 1 percent interest on $1 billion is $2.5 million a year. For every $1 million of bonds issued at one-fourth of 1 percent over the present limit for a period of 20 years, the additional cost to the taxpayers will be $50 million. If the $53 billion of Treasury borrowing that is coming due between now and December 1960 is refinanced on long-term 20-year bonds at a rate of only one-quarter of 1 percent over the present limit, the eventual cost to the taxpayers would be $2.6 billion. If the rate goes up a full percent, 1 whole percent, the increased interest would be $10.6 billion.

The Republican administration repeatedly says it is against spending. President Eisenhower has twice vetoed housing bills as extravagant and inflationary. Secretary Flemming has said that the President will veto any bill for aid to education that costs more than $25 million annually. I have already mentioned the public works veto. And yet there is an area where this Republican administration will spend and spend and spend. This is the spendingest administration in history insofar as interest is concerned. The cost of carrying the public debt has gone from $5.8 billion annually in 1952 to $8.6 billion in 1959. In January the estimated interest charge on the public debt was $8.1 billion. Now, because of the interest increases in the last 8 months the estimate has gone up another half a billion dollars. The extra money spent for interest in the last 6½ years would have built all the classrooms we need; would have built all the hospitals we need; would have provided all the public housing we have asked for, and left some money over for area redevelopment. The maximum rate of interest at 4¼ percent was fixed in 1917. We have had this maximum rate ever since then. When the administration asked us to change, to take the ceiling off, the members of the Committee on Ways and Means listened. We listened with some approval, but because of the mismanagement of the public debt by this administration, we felt that if we took the interest rate ceiling off, we should have a mild admonition to the Federal Reserve System "to assist in economical and efficient management of the public debt." Now, that is the objectionable resolution that was ordered; that is the objectionable sense of Congress resolution, that the Federal Reserve System assist in economical and efficient management of the public debt.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman.

Mr. BYRNES of Wisconsin. The gentleman knows that those words, that kind of a sense resolution is contained in the motion to recommit to be made by the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. METCALF. I am reading from the sense of Congress resolution that I offered as an amendment and that the gentleman from Pennsylvania characterized as objectionable.

Mr. BYRNES of Wisconsin. Those are only a few words taken out of it.

Mr. METCALF. We already have the tools for the management of this public debt. All that the Democratic members of the committee that adopted this sense of Congress resolution wanted was to insist that the Federal Reserve System use the tools that were already available.

Let us see about this management of the public debt since 1917. Since then the Treasury has operated within the interest rate ceiling, through World War I, through the boom of the late twenties, through the great depression, through World War II and the Korean war and down to date. In World War II the national debt rose from $45 billion to $270 billion and there was no need to increase interest rates.

Twice President Eisenhower has campaigned on a platform of defending the dollar. Yet the most spectacular failure of this administration has been its monetary policy. When Secretary Humphrey assumed office as Secretary of the Treasury, he announced that it would be his policy to attempt to get more of the debt into long-term securities. The average maturity of Government bonds at the end of 1952 was 5 years, 8 months. After 6 years effort in getting the debt into long-term securities this has declined to an average of 4 years, 7 months in June 1959. In 1952 yields on long-term Government bonds had fluctuated around 2.75 percent. One of Humphrey's first actions was in April 1953 when he offered a long-term issue at 3¼ percent. Immediately after his offering of bonds at a rate on one-half of 1 percent above the market, all other interest rates went up, and by June of 1953 the average yield on long terms had been driven up to 3.1 percent. Secretary Humphrey has always been a

high-interest man. Four years ago, while still Secretary of the Treasury, he told the financial editor of the Christian Science Monitor, "Why, I can remember when 7 percent interest was normal. We thought nothing of it."

When the hearings were held on this bill I asked Governor Martin where the interest rate would go, if we raised the ceiling on the 4¼-percent long-term bonds. He said he could not tell me. I asked him if it would go up 1 percent. He said he could not tell me, he did not know. Perhaps they desire that it go as high as Secretary Humphrey remembers and think nothing of it, an interest rate of 7 percent.

This administration's answer to every fiscal problem in fiscal management has been higher interest rates and nothing succeeds in fiscal management in this administration like failure.

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

Mr. METCALF. I yield to the gentleman.

Mr. HAYS. Is not the reason for that because higher interest rates help the big contributors to the Republican Party?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. SIMPSON of Pennsylvania. The gentleman is supporting the bill today because they are raising the interest rate. Where is the consistency of his argument?

Mr. METCALF. The consistency is that as a result of this incredible mismanagement of the financial and fiscal policy of the Government, in order to get some of the debt into the hands of the small investor we have to increase the interest rate on E and H bonds.

Mr. SIMPSON of Pennsylvania. So the gentleman does favor an increase in interest rates?

Mr. METCALF. Yes. But I say we do not have to increase interest rates on the long-term securities. Higher interest rates is to this Republican administration like a shot of penicillin; it will cure any ill.

So we are told today, after almost 7 years of mismanagement, that we cannot sell long-term bonds at the legal rate. One reason that long-term bonds cannot be sold is that the administration has created an expectation and anticipation that interest rates will be higher.

This has caused investors and the banks to hold off purchase lest they suffer a capital loss. The way to answer this is for Congress to take a firm stand and refuse to raise the legal limit and these anticipations will no longer affect the market. The other reason is that the administration is not disposed to put into effect a genuine anti-inflation policy and the financial community is aware of this. This is no time to compound past errors and present inadequacy by a further increase in interest notes.

I urge you to vote against the motion to recommit.

Mr. ULLMAN. Mr. Chairman, before the House takes action on the motion now under consideration, I think it important that all members realize the real issue involved. Assuredly, it is not merely the issue of increasing interest rates on series E and H savings bonds. Rather, the real issue will be presented in the recommittal motion to remove the ceiling on interest rates for long-term Government securities.

We have heard a great many pious statements in support of increased interest rates. But behind this facade lies one of the most unconscionable giveaway schemes with which this or any other Congress has ever been presented.

Let us not forget that the so-called interest rate crisis has been created by a premeditated, calculated Government policy. A change in this policy by the President and by the Secretary of the Treasury can relieve our present interest rate problems.

Before casting a vote in favor of the recommittal motion, I would ask my colleagues to consider the following facts:

First. No long-term Government bonds fall due for more than a year.

Second. The Government already has full authority to issue short-term securities without any interest rate restrictions. Such short-term securities may be issued for a period up to 5 years.

Third. Interest rates on long-term and short-term bonds have remained virtually the same, with very little spread between them.

Fourth. If conversion to long-term securities is so important, why was not this conversion made last year? Within the past year, the Government could have sold almost unlimited amounts of Federal long-term securities at 2⅝ percent interest.

Fifth. By initiating a revised fiscal policy, the present Administration could remedy current problems besetting the long-term bond market.

Sixth. If long-term Government securities went to 5 percent interest the housing, farm mortgage, and small business loan programs would come to a dead end.

Mr. Chairman, I have labeled this attempt to remove the ceiling on interest rates a "giveaway." I believe this is correct terminology for let us remember that the Goverment, armed with this legislation, could finance during the next few years up to $100 billion of the national debt at interest rates of 5 percent or more. Let us also bear in mind that average long-term bond rates have been maintained at an average of 2½ percent for many decades. There is no reason to believe that, with a return to sound monetary policies, long-term rates would not return to that figure. Imagine the staggering bonanza to the big financial interests of the country at the expense of the taxpayers of the Nation.

Mr. Chairman, I urge my colleagues to vote against the recommittal motion that will be offered.

Mr. KEOGH. Mr. Chairman, I rise in support of the bill now before the Committee. This legislation has received the careful and intensive consideration of the Committee on Ways and Means and has been reported to the House after the most careful and thorough study. The Committee on Ways and Means, as has been so ably explained by our esteemed and respected chairman, explored in detail the many aspects and ramifications of the recommendations which were made by the President, and also by the Secretary of the Treasury during the course of the public hearings. The Ways and Means Committee concluded that action was appropriate and necessary in this area relating to the U.S. savings bond program.

As we all know, savings bonds, since the initiation of the program in 1935 have constituted a significant portion of our Federal public debt. The importance of maintaining an appropriate segment of the public debt in the form of savings bonds held by thousands of millions of small individual investors across the Nation is generally recognized. I therefore need not here add my comments to those who have preceded me on this phase of the matter.

It is, however, clear that since the end of World War II the public appeal of savings bonds has been considerably reduced even though the rate of return on these bonds, when held to maturity, has at times equaled or exceeded that paid by mutual savings banks and commercial banks on savings deposits and by most savings and loan associations on share accounts.

The point that I should like to emphasize, Mr. Chairman, is that the area of the money market which is available to the sale of United States savings bonds is a relatively limited area and competition within that area for the savings dollar is intense. There are in fact four principal competitors within this area: mutual savings banks, savings and loan associations, and thrift accounts of commercial savings banks, and the Government savings bond program. These are the competing institutions which scramble for the available dollars in competition with our savings bond program in this area.

There has been within the past several years a traditional and historical balance between the rate of interest payable by the several institutions in this area. As Members will recall, due to the adverse position of the Treasury competitively in 1957 with respect to the savings bond program, the Congress enacted legislation designed to permit the Treasury Department to restore the competitive position of savings bonds with other comparable forms of saving without causing any significant change in the then present distribution of investments. The 3¼-percent series E bond was first offered to the public in February 1957 following enactment of this legislation. Since that time yields of U.S. Government securities have advanced by at least one-half of 1 percent and rates on newly offered issues of corporate and State and municipal securities have also advanced during the intervening period. At the same time

the U.S. savings bond program has been slipping badly and in recent months the rate of redemptions on series E and H savings bonds has increased steeply. In fact, for the past several years, with the exception of the first quarter of 1958, redemptions on series E and H bonds have continually exceeded cash sales of these bonds. Following the legislation enacted in 1957 the sales on E and H bonds improved somewhat and redemptions declined significantly. However, in 1959 the sales of series E and H savings bonds have declined by 10 percent in the first 8 months with the downward trend of sales steepening in recent months. In addition, the 1959 redemptions through August were 13 percent above a year ago with the trend also worsening.

The Committee on Ways and Means was advised that during the month of July 1959, the excess of redemptions of sales of E and H bonds amounted to $156 million, the largest amount in any month since April 1946.

As I have said, Mr. Chairman, and I cannot emphasize too strongly, there is a very delicate competitive balance which should be maintained between the several comparable forms of savings competing for the money available in this area of investment. These savings bonds are competing with savings and loan shares, mutual savings bank deposits, and commercial bank savings deposits. The customary and historical balance and the traditional position as between these several forms of savings should and must be maintained.

In fact, Mr. Chairman, I should point out here that the New York State Banking Board, only about a month ago, placed a limit of 3½ percent on the regular and annual dividend rate that mutual savings banks can pay depositors, although the board also took action to permit banks to pay a special additional dividend beginning next year of one-fourth of 1 percent on savings which have been on deposit for at least 2 years. I may say here that the action of the New York State Banking Board bears a close relationship to the situation which has existed within the past several months following the recommendations of Secretary Anderson with respect to the U.S. savings bond program.

Mr. Chairman, the bill now before the committee is designed to permit the Treasury to restore the competitive position of the savings bonds and thus will contribute to proper debt management and will afford protection to the purchasers of this form of investment. The role of savings bonds in Federal debt management is a significant one. We in the Congress should give to the Secretary of the Treasury the flexibility which he needs in order to sustain the savings bond program and to maintain its traditional and historical competitive position.

Mr. Chairman, I urge adoption of the bill now before the committee, and I shall oppose the motion which will be offered to recommit the bill to the Committee on Ways and Means.

Mr. ANDERSON of Montana. Mr. Chairman, the most inflationary influence in our economy today is the administration's high interest policy. In a Nation whose tremendous economic production and whose high standard of living is a result of contributions of natural resources, of manpower, and particularly of capital investment, it is obvious that the interest rate paid for capital is directly reflected in the costs of production. Whereas costs of labor have advanced very little since 1952, and whereas the costs of those raw materials produced from our natural resources have actually been reduced since 1952, the level of interest rates has increased anywhere from 50 to 80 percent.

This inflationary result of the high interest policy is shown most strikingly in the interest on the national debt, where interest charges have gone from $4.7 billion in 1946 to $8.6 billion in 1958, or an increase of 80 percent.

The way to cope with inflation is to reduce, not increase, interest rates, and to make available sufficient supplies of currency and of credit to encourage our free enterprise economy to expand production. Through the workings of our competitive economy this will result in a lowered level of the cost of living and a higher standard of living.

The proposal before us this afternoon to increase the interest rate on savings bonds may be justified by saying that in view of the fact that this administration has succeeded in tremendously increasing interest rates on all other forms of capital investment, it is unfair that investors in savings bonds should not be offered an increase in interest. For that reason, I shall vote to permit an increase in savings bonds interest, but exceedingly reluctantly and only in the face of the fait accompli of the greatly inflated level of interest charges accomplished by the Republican administration.

I am serving final and definite warning that if any move is made today or any other day, in this session or any other session, to remove the 4¼-percent-interest-rate ceiling on long-term Treasury bonds, I shall fight the proposal to the last ditch. We have heard a lot of slogans about "creeping inflation" and "spiraling inflation" and "another step up the staircase of inflation," but a move to remove the 4¼-percent-interest-rate ceiling on long-term Treasury bonds would literally be a 12-foot-high step up an enormous ladder of inflation, one whose effect could not be ameliorated for perhaps a generation.

If we permit the administration at this time, when no long-term debt obligations are coming due, to refinance the expiring short-term obligations in the form of high-interest, long-term obligations, then we are simply writing blank checks to the big investors in the million dollar Government bond issues. It has been estimated that these checks would be filled out over the next 20 to 40 years for sums that would total anywhere from five to fifteen billions of dollars, checks that would have to be paid by your children and mine. If any move is made today to recommit, with instructions to include removal of the 4¼-percent-interest-rate ceiling, or if any bill is introduced or brought to the floor in this session, or in the next session. I would hope that every one of my Democratic colleagues who oppose inflation and oppose the strangling grip of high-interest money upon our economic growth, will arise to strike it down; and I would hope that those of our Republican colleagues who truly believe in fiscal responsibility would join us in our fight against the inflation of exorbitant high interest rates.

Mr. WOLF. Mr. Chairman, I want to state clearly that because I have voted for an increase in the interest rates on E and H bonds, this does not mean that I am in favor of raising interest rates across the board. I am stating further that if next spring the administration comes in with a proposal to raise the interest rates of other bonds, I shall oppose it. The fact that we are faced with the necessity of raising interest rates in order to attract people to buy the greatest security in the world is indicative of the financial boondoggling of the incumbent administration.

Mr. MILLS. Mr. Chairman, there are no committee amendments.

PROGRAM FOR THE BALANCE OF THE WEEK AND FOR NEXT WEEK

Mr. ARENDS. Mr. Chairman, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ARENDS. Mr. Chairman, I ask for this time in order to inquire of the majority leader concerning the program for the rest of the week and for next week.

Mr. McCORMACK. While we shall meet tomorrow, there is no legislative business on the program and Members may govern themselves accordingly.

If the extension of Public Law 480 should pass the Senate today, we want to meet in order to send that bill to conference. However, there will be no rollcalls and no legislative matters so that Members may make their own arrangements accordingly. I make this statement so Members will know and they know that I will protect them.

On Monday we have the Consent Calendar.

Then there are five suspensions.

S. 601, construction of the Bardwell Reservoir.

House Joint Resolution 352, to authorize a study, Library of Congress, additional building.

H.R. 8343, acquisition of cropland by eminent domain.

H.R. 5196, Federal employees per diem allowances.

H.R. 7758. Oversea Differentials and Allowances Act.

If there are any other bills on which the Speaker is going to recognize to suspend the rules—and I do not know of any at the moment—but, if any should arise, I will announce that tomorrow.

On Tuesday, the Private Calendar will be called, and when we are in the House I will ask unanimous consent that the Private Calendar be called on Tuesday.

Then there is the public works appropriation bill for 1960.

The only other bill that I can announce now, so far as Tuesday and the rest of the week is concerned, is the bill S. 2208, the Federal airport funds for Alaska and Hawaii.

Mr. ARENDS. In keeping with the agreement that has been entered into, there will be no rollcalls on Monday?

Mr. McCORMACK. There will be no rollcalls on Monday. That has already been done by unanimous consent.

There is the usual reservation that any further program will be announced later.

Of course, conference reports may be brought up at any time.

Of course, next week is a very busy week and the Members will be subject to immediate action on matters, and I may not be able to give notice to Members as long in advance of a bill coming out as I have been able to give during the session to date.

Mr. ARENDS. I might say to the gentleman from Massachusetts that some of us are anxiously waiting as to whether or not there is such a thing as a sine die adjournment listed there anyplace.

Mr. McCORMACK. Nobody is more anxious for that than I am. We have had a long session; in fact, one of the longest in the history of the country. I have no further comment to make except to say, certainly, the people of the country appreciate the fact that we personally as Members of the Congress and the members of our families are entitled to consideration and a vacation. We certainly have had a very long session and, while I will not enumerate the accomplishments of this session of the Congress, under the most trying circumstances, we have had a very effective democratic session.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, 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. 9035) to permit the issuance of series E and H U.S. savings bonds at interest rates above the existing maximum, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be made without recognition of gain or loss, and for other purposes, pursuant to House Resolution 376, he reported the same 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.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SIMPSON of Pennsylvania. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SIMPSON of Pennsylvania moves to recommit the bill (H.R. 9035) to the Committee on Ways and Means with instructions to report the same to the House forthwith with amendments as follows:

Page 1, strike out line 7 and all that follows through line 4 on page 2, and insert:

"SEC. 25. In the case of any offering of bonds issued or to be issued under this Act, the maximum limits on the interest rate or the investment yield or both may be exceeded upon a finding by the President with respect to such offering that the national interest requires that such maximum limits be exceeded.

"(b) It is the sense of the Congress that the monetary and debt management officials of the Government shall, in discharging their responsibilities, take fully into account the importance of promoting continuity of employment opportunities, achieving the maximum sustainable rate of economic growth, maintaining reasonable stability in the purchasing power of the dollar, and assuring that the cost of servicing the public debt is kept to the minimum, consistent with these vital national objectives."

Page 2, line 5, reletter subsection "(b)" as subsection "(c)".

Page 2, strike out line 21 and all that follows through line 4 on page 3, and insert:

"(d)(1) The amendments made by subsections (a) and (c) shall apply only to offerings made during the three-year period which begins on the date of the enactment of this Act and only—

"(A) to bonds issued during such three-year period, and

"(B) to bonds issued under section 22 of the Second Liberty Bond Act, as amended, before the date of the enactment of this Act.

"(2) In no case shall the interest rate, or investment yield, on any bond be changed pursuant to the amendments made by this title for any period which begins before June 1, 1959."

Amend the title so as to read: "To facilitate management of the public debt, to permit the Secretary of the Treasury to designate certain exchanges of Government securities to be without recognition of gain or loss for income tax purposes, and for other purposes."

Mr. SIMPSON of Pennsylvania (during the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that the further reading of the motion be dispensed with since it has been discussed.

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

There was no objection.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced in the opinion of the Chair, the noes had it.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 133, nays 256, not voting 46, as follows:

[Roll No. 164]

YEAS—133

Adair	Dooley	Meader
Alger	Dorn, N.Y.	Merrow
Allen	Dwyer	Miller, N.Y.
Andersen, Minn.	Fenton	Milliken
Arends	Frelinghuysen	Mumma
Auchincloss	Fulton	Nelsen
Avery	Gavin	Norblad
Ayres	Glenn	O'Konski
Baker	Goodell	Osmers
Baldwin	Gross	Ostertag
Barry	Gubser	Pelly
Bass, N.H.	Halleck	Pirnie
Bates	Halpern	Poff
Belcher	Harrison	Quie
Bennett, Mich.	Henderson	Ray
Bentley	Hess	Reece, Tenn.
Berry	Hiestand	Rees, Kans.
Betts	Hoeven	Robison
Boland	Hoffman, Ill.	Rogers, Mass.
Bosch	Hoffman, Mich.	Saylor
Bray	Holt	Schenck
Broomfield	Horan	Scherer
Brown, Ohio	Hosmer	Schwengel
Budge	Irwin	Short
Bush	Jackson	Siler
Byrnes, Wis.	Jensen	Simpson, Ill.
Cahill	Johansen	Simpson, Pa.
Cederberg	Jonas	Smith, Calif.
Chamberlain	Judd	Smith, Kans.
Chenoweth	Kearns	Springer
Chiperfield	Keith	Taber
Church	Kilburn	Taylor
Collier	Knox	Teague, Calif.
Conte	Lafore	Thomson, Wyo.
Corbett	Laird	Tollefson
Cramer	Langen	Utt
Cunningham	Latta	Van Zandt
Curtin	Lindsay	Wallhauser
Curtis, Mass.	Lipscomb	Weaver
Curtis, Mo.	McCulloch	Weis
Dague	McIntire	Wharton
Derounian	Mack, Wash.	Widnall
Devine	Mailliard	Wilson
Dixon	Mason	Withrow
	May	Younger

NAYS—256

Abbitt	Colmer	Hagen
Abernethy	Cook	Haley
Addonizio	Daddario	Hardy
Albert	Daniels	Hargis
Alexander	Dawson	Harmon
Alford	Delaney	Harris
Anderson, Mont.	Dent	Hays
Ashley	Denton	Healey
Ashmore	Diggs	Hébert
Aspinall	Dingell	Hechler
Bailey	Dollinger	Hemphill
Baring	Donohue	Herlong
Barr	Dorn, S.C.	Hogan
Barrett	Dowdy	Holland
Bass, Tenn.	Downing	Holtzman
Beckworth	Doyle	Huddleston
Bennett, Fla.	Dulski	Hull
Blatnik	Durham	Ikard
Blitch	Edmondson	Inouye
Boggs	Elliott	Jarman
Bolling	Everett	Jennings
Bonner	Fallon	Johnson, Calif.
Bowles	Farbstein	Johnson, Colo.
Boykin	Fascell	Johnson, Md.
Boyle	Feighan	Johnson, Wis.
Brademas	Fino	Jones, Ala.
Breeding	Fisher	Karsten
Brewster	Flood	Karth
Brock	Flynn	Kasem
Brooks, La.	Flynt	Kastenmeier
Brooks, Tex.	Fogarty	Kee
Brown, Ga.	Foley	Kelly
Brown, Mo.	Forand	Kilday
Buckley	Forrester	Kilgore
Burdick	Fountain	King, Calif.
Burke, Ky.	Frazier	King, Utah
Burke, Mass.	Friedel	Kirwan
Burleson	Gallagher	Kitchin
Byrne, Pa.	Garmatz	Kluczynski
Cannon	Gary	Kowalski
Carnahan	Gathings	Lane
Casey	George	Lankford
Celler	Giaimo	Lennon
Chelf	Granahan	Levering
Clark	Grant	Libonati
Coad	Gray	Loser
Coffin	Green, Oreg.	McCormack
Cohelan	Green, Pa.	McDowell
	Griffiths	McFall

McGinley
McGovern
McSween
Macdonald
Mack, Ill.
Madden
Magnuson
Mahon
Matthews
Metcalf
Meyer
Miller, Clem
Miller, George P.
Mills
Mitchell
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Morrison
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nix
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
Oliver
Passman
Perkins
Pfost
Philbin
Pilcher
Pillion
Porter
Preston
Price
Prokop
Pucinski
Quigley
Rabaut
Rains
Randall
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Scott
Selden
Sheppard
Shipley
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall
Ullman
Vanik
Vinson
Walter
Wampler
Watts
Whitener
Whitten
Wier
Williams
Willis
Winstead
Wolf
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—46

Andrews
Anfuso
Barden
Baumhart
Becker
Bolton
Bow
Broyhill
Canfield
Carter
Cooley
Davis, Ga.
Davis, Tenn.
Derwinski
Evins
Ford
Griffin
Hall
Holifield
Jones, Mo.
Keogh
Landrum
Lesinski
McDonough
McMillan
Machrowicz
Marshall
Martin
Michel
Minshall
O'Brien, N.Y.
O'Neill
Patman
Poage
Powell
Rhodes, Ariz.
Riehlman
St. George
Shelley
Sikes
Teague, Tex.
Teller
Thompson, La.
Van Pelt
Wainwright
Westland

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Martin for, with Mr. Keogh against.

Mr. Van Pelt for, with Mr. Landrum against.

Mr. McDonough for, with Mr. Holifield against.

Mr. Bow for, with Mr. Lesinski against.

Mrs. Bolton for, with Mr. Anfuso against.

Mr. Baumhart for, with Mr. Evins against.

Mr. Ford for, with Mr. Teague of Texas against.

Mr. Broyhill for, with M. O'Neill against.

Mr. Minshall for, with Mr. Patman against.

Mrs. St. George for, with Mr. McMillan against.

Mr. Griffin for, with Mr. Machrowicz against.

Mr. Becker for, with Mr. Teller against.

Mr. Westland for, with Mr. Sikes against.

Mr. Michel for, with Mr. Shelley against.

Until further notice:

Mr. Hall with Mr. Riehlman.

Mr. HIESTAND changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on passage of the bill.

Mr. MILLS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 378, nays 7, not voting 50, as follows:

[Roll No. 165]

YEAS—378

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Alford
Alger
Allen
Andersen, Minn.
Anderson, Mont.
Arends
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barr
Barrett
Bass, N.H.
Bass, Tenn.
Bates
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bosch
Bowles
Boykin
Boyle
Brademas
Bray
Breeding
Brewster
Brock
Brooks, La.
Brooks, Tex.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Buckley
Budge
Burdick
Burke, Ky.
Burke, Mass.
Burleson
Bush
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carnahan
Casey
Cederberg
Celler
Chamberlain
Chelf
Chiperfield
Chenoweth
Church
Clark
Coad
Coffin
Cohelan
Collier
Colmer
Conte
Cook
Corbett
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Dawson
Delaney
Dent
Denton
Derounian
Devine
Diggs
Dingell
Dixon
Dollinger
Donohue
Dooley
Dorn, N.Y.
Dorn, S.C.
Dowdy
Downing
Doyle
Dulski
Durham
Dwyer
Edmondson
Elliott
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Fino
Fisher
Flood
Flynt
Fogarty
Foley
Forand
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
George
Giaimo
Glenn
Goodell
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Gubser
Hagen
Haley
Halleck
Halpern
Hardy
Hargis
Harris
Harrison
Hays
Healey
Hébert
Hechler
Henderson
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Hogan
Holland
Holt
Holtzman
Horan
Hosmer
Huddleston
Hull
Ikard
Inouye
Irwin
Jackson
Jarman
Jennings
Jensen
Johansen
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Keith
Kelly
Kilburn
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kowalski
Lafore
Laird
Lane
Langen
Lankford
Latta
Lennon
Levering
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDowell
McFall
McGinley
McGovern
McIntire
McSween
Macdonald
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Mason
Matthews
May
Meader
Merrow
Metcalf
Meyer
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Morrison
Moss
Moulder
Multer
Mumma
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Oliver
Osmers
Ostertag
Passman
Pelly
Perkins
Pfost
Philbin
Pillion
Pirnie
Poff
Porter
Price
Prokop
Pucinski
Quie
Quigley
Rabaut
Rains
Randall
Ray
Reece, Tenn.
Rees, Kans.
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Saylor
Schenck
Scherer
Schwengel
Scott
Selden
Sheppard
Shipley
Short
Siler
Simpson, Ill.
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Kans.
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Steed
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Toll
Tollefson
Trimble
Tuck
Udall
Ullman
Utt
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Wampler
Watts
Weaver
Weis
Wharton
Whitener
Whitten
Widnall
Wier
Williams
Willis
Wilson
Winstead
Withrow
Wolf
Wright
Yates
Young
Younger
Zablocki
Zelenko

NAYS—7

Flynn
Forrester
Harmon
Mitchell
Pilcher
Preston
Simpson, Pa.

NOT VOTING—50

Andrews
Anfuso
Barden
Barry
Baumhart
Becker
Bolton
Bow
Broyhill
Canfield
Carter
Cooley
Davis, Ga.
Davis, Tenn.
Derwinski
Evins
Ford
Griffin
Hall
Hemphill
Hess
Holifield
Jones, Mo.
Keogh
Landrum
Lesinski
McDonough
McMillan
Machrowicz
Marshall
Martin
Michel
Minshall
O'Brien, N.Y.
O'Neill
Patman
Poage
Powell
Rhodes, Ariz.
Riehlman
Rogers, Mass.
St. George
Shelley
Sikes
Teague, Tex.
Teller
Thompson, La.
Van Pelt
Wainwright
Westland

So the bill was passed.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Barry.

Mr. Hall with Mr. Van Pelt.

Mr. Thompson of Louisiana with Mr. Broyhill.

Mr. Teague of Texas with Mr. Hess.

Mr. Hemphill with Mr. Ford.

Mr. Holifield with Mr. Baumhart.

Mr. Teller with Mr. Wainwright.

Mr. Powell with Mr. Griffin.

Mr. O'Brien of New York with Mr. Becker.

Mr. Evins with Mr. Westland.

Mr. Cooley with Mr. Rhodes of Arizona.

Mr. Shelley with Mr. Minshall.

Mr. Sikes with Mrs. St. George.

Mr. McMillan with Mrs. Bolton.

Mr. Machrowicz with Mr. Michel.

Mr. Lesinski with Mr. Canfield.

Mr. Landrum with Mr. McDonough.

Mr. O'Neill with Mr. Bow.

Mr. Carter with Mr. Riehlman.

On this vote:

Mr. Martin for, with Mr. Derwinski against.

Mr. Keogh for, with Mr. Patman against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members

desiring to do so may have permission to extend their remarks in the RECORD just prior to the vote on the bill just passed.

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

There was no objection.

CERTIFICATIONS TO U.S. ATTORNEYS IN CONTEMPT PROCEEDINGS

The SPEAKER. The Chair lays before the House the following announcement, which the Clerk will read:

The Clerk read as follows:

The Chair desires to announce that, pursuant to sundry resolutions of the House, he has, today, made certifications to the U.S. Attorney, District of Columbia, and the U.S. Attorney, Northern District of Illinois, as follows:

To the U.S. ATTORNEY,
District of Columbia:

House Resolution 374: The refusal of Martin Popper to answer questions before the Committee on Un-American Activities.

To the U.S. ATTORNEY,
Northern District of Illinois:

House Resolution 375: The refusal of Edwin A. Alexander to answer questions before the Committee on Un-American Activities.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday next for the Private Calendar to be called.

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

There was no objection.

LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, in accordance with my policy of keeping the Members advised as soon as possible about matters that will come up, some day next week the following bills, when recognized by the Speaker, will be called up by the gentleman from Arkansas, Mr. MILLS, chairman of the Committee on Ways and Means. All of these bills have been unanimously reported out of the Committee on Ways and Means.

H.R. 529, narcotics control bill.

H.R. 6132, tax on issuance of shares of stock.

H.R. 6785, tax on laminated tires.

H.R. 7947, FNMA bill.

H.R. 6482, unemployment tax for merged corporations.

H.R. 5547, Virgin Islands bill.

H.R. 5920, social security, credited four quarters of coverage for maximum earnings before 1951.

H.R. 5887, granulated seaweeds.

H.R. 1217, amorphous graphite.

H.R. 4251, 4-year limitation on deeducation of exploration expenditures.

H.R. 8229, supplemental unemployment benefit trusts.

GEORGE W. POTTER

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. FOGARTY. Mr. Speaker, on August 10 last the State of Rhode Island lost a keen observer and fairminded interpreter of State, national, and international affairs in the death of George W. Potter, former chief editorial writer of the Providence Journal and the Evening Bulletin.

I knew George Potter, and one of the things that struck me most about him was his love of people. Writer and scholar though he was, his everyday interest in his fellow man, in his foibles, his achievements, and his yearnings, was what impressed me most.

One article appearing after his death said:

Books, documents, and people were all alike to him, and of the three he had the most affinity for people.

"I don't care what you say, you've got to get to the people. They're smarter than anybody," he often quipped, but seriously.

Another said:

He was a man of omniverous interests; everything from classical music to horseracing fascinated him. The common denominator was people. His own lovable personality made it natural for all kinds of men and women to respond to his warm, affectionate interest in them; scarcely a day went by that he did not make a new friend. To use a phrase he himself liked to employ occasionally, he was truly a sweet person.

Mr. Speaker, it is the people who sent us to this House of Representatives. Here in this House the problems with which we deal are the problems of people, their security, and their aspirations. The more we mingle with people, the more we listen to people, the more we like people, the more, in short, we behave in the pattern of the George Potters of the world, the better, I am sure, we will handle those problems.

In closing I would like to include the following articles which appeared in the Providence Journal and Evening Bulletin, expressing the high regard in which George Potter was held by everyone who knew him:

[From the Providence (R.I.) Journal Aug. 10, 1959]

GEORGE POTTER DIES—JOURNAL EDITORIALIST

George W. Potter, 59, Pulitzer Prize winning editorial writer for the Providence Journal-Bulletin, died early today at Miriam Hospital after suffering a heart attack.

George Potter had won honor as a scholar, newspaperman and writer, but he was one of the first editorial writers in Providence to destroy the concept that editorial thinking belongs in an ivory tower.

Books, documents and people were all alike to him, and of the three he had the most affinity for people.

"I don't care what you say, you've got to get to the people. They're smarter than anybody," he often quipped, but seriously.

George had won the Pulitzer Prize in 1945 for a 1944 editorial discussing the deep relation of freedoms, human and economic, and their relation to the press as a safeguard of true freedoms.

A year later Brown University awarded him the honorary degree of doctor of literature. In 1955 he was made honorary member of Phi Beta Kappa scholastic society, and in the same year Durfee Technical Institute in his native Fall River gave him an honorary master's degree.

But before these honors had come to him, George had made a significant contribution to newspaperdom in the community.

He had come to Providence to go to Brown University, where he was graduated in 1921. His home had been Fall River, a city which in the early 1920's was full of fierce newspaper competition, and whose residents had as much savvy as in any city in America, arising from its hot political, labor, economic and church leaders.

George's father, Joseph H. Potter, Jr., was a Durfee mill superintendent who had first gone to work in the mills as a youngster of 9 in New Hampshire, graduated to the bowler-hat which characterized the millman who rose from the ranks, and died in 1910. His mother, Ellen L. Potter, was one of three Irish girls who had emigrated to this country as a young girl.

Even while attending B.M.C. Durfee High School, and later as a student at Brown, he developed an insatiable belief in the newspaper as an institution of truth.

At Brown, where he won the Hicks prize for 4 years of the highest standing in English literature, he worked as correspondent for the old Providence Tribune. He corresponded for the New Bedford Times and the Fall River Herald, and for 2 years after he was graduated, he plowed a beat for those newspapers.

In New Bedford, Fall River, and Providence in those days most public communication was on the street. George fast learned to talk and listen, and his faith in the fundamental rightness of ordinary people grew.

The Providence Tribune hired him in 1923 as an editorial writer. George was then working also as an assistant in the English department at Brown. For nearly 15 years thereafter he also conducted the extension course in journalism on the Hill, a course in which makeup and headlines had little part, but writing good English counted most.

While at the Tribune, in the Dwyer-Barry era of that offbeat Republican paper, he became associate editor, and finally succeeded Fred Luther as editor.

Sevellon Brown, late editor and publisher of the Journal-Bulletin, picked George in 1929 as one of several "down the street" men he wanted on his staff when the Tribune was bought by Peter G. Gerry, owner of the Democratic Providence News.

He was chosen at a time when the editorial staff of the Journal-Bulletin was being expanded into a group of men from assorted backgrounds, geographical areas, and scholarly interests. The purpose was to create an editorial staff whose members would be a sounding board and a forum of every possible view and horizon, so that the newspaper's considered editorial policies

would be removed from individualism, whim or personal animus.

George's field of interest for many years was that of international affairs, and history. Yet he contributed as much from his insight in local people, politics and economics as from his own studies.

He was made chief editorial writer for some years in 1939, succeeding the late Henry R. Palmer.

In all this time he not only preached to other newspapermen that they always must remember the concept of news beats, be they city halls, courts, police stations, public libraries, histories of diplomacy or civilization, or just street corners, a trolley or bus trip, or even a saloon.

He also was an assiduous notetaker of all he heard and read, because he believed any writer had to relate the world as he saw it to his study.

In the late 1940's George began to submerge himself into a college-time entrancement with the Irish literary renascence. Especially as it had been encouraged in the 1880's by the late Alfred M. Williams, then editor of the Journal, who had first encouraged in this country such literary greats as Yeats, A. E. Synge, and the rest.

The result was that in 1949 the Journal-Bulletin commissioned George to go to Ireland to secure more scholarly evidence of the part the Journal played in those days in spreading to the world the writings of the Irish dramatists, poets and story writers of the late 19th century.

Offshoot of this was the establishment of the Williams collection in the Providence Public Library, unique in this country.

Later, when it became apparent that George was amassing a wealth of evidence about Irish culture in America, the Guggenheim Foundation in 1956 awarded him a year's fellowship abroad to learn all he could about the bases of Irish immigration, and the history of the Catholic Irish in America between 1820 and 1860. It was a field strangely neglected by other historians.

After several years of monumental research poring through old records and newspapers and talking to countless Irish historians, George finally produced the results of his work in a book.

He was a member of the board of trustees of the Williams collection, a member of the board of editors of the Brown Alumni Monthly, member of Phi Kappa fraternity and the Sphinx and Pi Kappa societies at Brown and had lectured at the Columbia Press Institute.

For many years George had lived in one of the quietest spots possible in Providence, a cottage at 30 Mount Avenue that was a part of the Cole farm. Until recent years, in fact, cows had browsed under his window as he sat and read books, newspapers and microfilm records at home.

While he never lost his affection for the people he met and knew by the thousands on downtown streets, he liked to escape in the summer to Nantucket or Cuttyhunk Islands. Even on his trips to Ireland, he gravitated instinctively to it as an island, remote from European civilization and politics, and closest to the West.

He leaves his wife, the former Erna Dingwell, of New Bedford; a sister Mary D. Potter, of Boston; and two brothers, Joseph H. and James F. Potter.

Mr. and Mrs. Potter had no children.

[From the Providence (R.I.) Journal, Aug. 11, 1959]

GEORGE W. POTTER: EDITORIALIST, SCHOLAR, AND FRIEND

The death of George W. Potter marks the end of an era in the history of these newspapers as an institution. For those of us who have worked with him and known him intimately over the years, it is an event of profound sadness.

As a foremost contributor to these columns for some 30 years, Mr. Potter was the last active writer on an editorial staff assembled in the late 1920's. All of them now are dead or in retirement. Yet he himself would be the first to insist that the editorial voice of the Journal-Bulletin must and will endure, through the changing generations, for George Potter, had a deep interest in the vital function of the American press generally and a unique understanding of the institutional quality of his own newspaper.

However the fullness of a life may be measured—by achievements, by friendships, by the truths a man believes in and expresses—by all of these standards, George Potter lived a full life though he died at 59. He was a man of omniverous interests; everything from classical music to horseracing fascinated him. The common denominator was people. His own lovable personality made it natural for all kinds of men and women to respond to his warm, affectionate interest in them; scarcely a day went by that he did not make a new friend. To use a phrase he himself likes to employ occasionally, "he was truly a sweet person."

But Mr. Potter never let understanding or affection get in the way of a sure appreciation of men, manners and events. He had no patience with intellectual dishonesty, in people or in institutions. A wry, kindly, gently prodding observer of the human parade here and around the world, he kept before the Rhode Island he loved a sense of continuity by dipping into history for parallels with the news of the day.

Primarily a stylist among newspapermen, Mr. Potter became in later years principally a scholar, largely through his consuming interest in the history of the Irish in America. In both capacities, sometimes in the face of handicaps and adversity, he gained conspicuous professional success, as evidenced by his winning of a Pulitzer Prize for editorial writing in 1945 and by his later achievement of a Guggenheim fellowship to pursue his historical research. Brown University, his alma mater, gave him an honorary doctorate in 1946. These and other honors came to him, and he wore them modestly.

Commenting editorially on such a personality and so dear a friend as George Potter is infinitely difficult. Again, he himself would be the first to recognize this. As an oldtime editorial writer, perhaps therefore he would forgive his colleagues for the inadequacy of this attempt to say simply that we shall miss him.

[From the Providence (R.I.) Sunday Journal, Aug. 16, 1959]

LIBRARY BOARD PAYS TRIBUTE TO GEORGE POTTER

The board of trustees and staff of the Providence Public Library were deeply saddened by the death of George W. Potter, editorial writer for the Providence Journal-Bulletin, and a warm and valuable friend of this library.

Many a librarian's day was brightened by his frequent visits and by his enthusiasm when a newly uncovered bit of evidence added another facet to his researches on Irish history. He often spoke and wrote of his indebtedness for the richness of Providence libraries, and once observed that the unique personality of Providence was due to the existence of Brown University, the Providence Journal, and the Providence Public Library. To these institutions he was earnestly devoted.

He will be chiefly remembered at the library for assisting the staff in establishing the Alfred M. Williams Memorial on Irish Culture just 10 years ago. Mr. Potter had then returned from a pilgrimage to Ireland, and, with the support of Sevellon Brown, then editor and publisher of the Journal, he helped to formulate plans for building a center of Irish studies in the library.

His own words best express the purpose of the endeavor: "While scholarly pursuits will be encouraged and aided, the hope is that the memorial will be used by all the people of Providence to widen and extend the cultural life of the community."

Providence had long been aware of Douglas Hyde, Katherine Tynan, William Butler Yeats, John Todhunter, and other writers associated with the Irish literary renaissance. Some of their works had been published in the Providence Journal by its editor, Alfred M. Williams, thereby giving that newspaper a "sort of left-handed immortality," as Mr. Potter expressed it.

After the establishment of the Memorial in 1949, Mr. Potter drew attention to the growing collection of books by inviting such distinguished visitors as Padraic Colum, Irish poet, novelist, and folklorist; Dr. Richard J. Hayes, director of the National Library of Ireland; William Howard Taft III, former U.S. Ambassador to Ireland; and John J. Hearne, Eire's Ambassador to the United States.

He encouraged local Irish societies, individuals and The Providence Journal to enrich the collection by presenting gifts of cash. The Swiss reproduction of the Book of Kells, a scarce original of the Easter Rebellion Proclamation, Irish street ballads and the Charles James Fox collection of over 400 pamphlets containing raw material for the study of 18th and 19th century Ireland—these and many other gifts were stimulated by his zeal. His gentle needling of the staff to purchase desirable items from bookseller's catalogs was another method of building the collection to one of significance in this country.

The library staff will remember him with affection, and the Irish Collection, which he named for a predecessor, will always be thought of as a memorial to George W. Potter.

STUART C. SHERMAN,
Librarian, Providence Public Library.
PROVIDENCE.

PUBLIC WORKS APPROPRIATION BILL

The SPEAKER. Under previous order of the House, the gentleman from Wyoming [Mr. THOMSON] is recognized for 45 minutes.

Mr. THOMSON of Wyoming. Mr. Speaker, I take this special order as a member of the Appropriations Committee, to attempt to put in focus the situation pertaining to the public works appropriation bill. I hope that what I have to say will be of assistance, for the situation definitely needs to be brought into focus in order, first, to resolve the deadlock that appears to exist between the Congress and the Executive; second to present the facts to the members not on the committee, so that they can cast an informed vote when called upon to act; and third, to advise the people of this country of the true situation.

In the first place, the veto of the bill by the President was unfortunate. For this, I do not blame the President. At

the time it was being considered, he was occupied with most important questions of foreign policy vital to the peace and security of this Nation and of the world. As a matter of fact, when the veto was delivered, he was out of the country and had been for some time.

This did not permit those who really knew the true situation to consult with him or for him to consult with them. The President was denied the advice of the gentleman from Iowa [Mr. JENSEN], who is ranking Republican member of the subcommittee which considered the bill, is best informed, and has time and again proved that he is really an economy Congressman, resulting in savings of billions of dollars of the taxpayers' money.

The real blame must rest on the shoulders of those who gave the President the wrong basic information, as reflected by his veto message. One can make a wise decision only as he has the correct information on which to base it. The veto of the bill was based upon wrong information and was ill considered, because it does not bring about true economy and because without at least some of the projects objected to by the President, we will not be meeting the responsibilities of both the executive and the legislative to provide for the orderly and sound development of the water resources of this Nation.

We must provide for the economic strength and growth of our country if we are to act with responsibility. Irresponsible cuts are no more economy than irresponsible spending. Proper water development is a must if this is to be done.

The President has repeatedly recognized this. His own Cabinet Committee reported such, stressing the needs for increased water supply to meet the growing needs of the Nation. The Hoover Commission stated:

Economic development and conservation of water resources is vital to the future of the United States.

At this point I insert some pertinent quotes from the President, his Cabinet Committee's report, and the Hoover Commission report:

THE PRESIDENTIAL ADVISORY COMMITTEE ON WATER RESOURCES POLICY—DECEMBER 22, 1955

1. SUMMARY

A sound water policy must look toward an adequate supply of water for our people, prevent waste, reduce water pollution to its lowest practical level, provide means for the best and most effective distribution of water, improve navigation, and take steps to check the destructive forces of water which destroy land, property, and life.

2. OUTLINE OF PROBLEM

Water is more than a natural resource; it is a necessity of life. Here in the United States, blessed with a continent of virgin soil, we lived more than 200 years before the water problem became generally acute. But the uses we make of water in modern society are so tremendous that they stagger the imagination. The coming of our industrial era, the raising of our living standards, and the increased application of water to land have now highlighted the problems until in much of the Nation there is a grave and increasing concern over water resources.

Shortages of water for domestic and agricultural use are frequent. Industry is finding it increasingly difficult to locate adequate water supplies. Many streams and rivers are seriously polluted. Concurrently, tremendous losses in water are being experienced through wasteful practices and failure to conserve available supplies. Lack of adequate planning threatens to impose a water scarcity which can become a limiting factor on the growth of some of our cities, while at the same time flood damage in many areas continues to be great.

* * * * *

Because these problems are nationwide, it is appropriate that the Federal Government take cognizance of them and provide leadership for solving them by establishing sound nationwide policies, as well as provide standards for its own participation in the development of economically sound water projects. It is also appropriate that this be done in cooperation with the States and other locally interested parties.

HOOVER COMMISSION—TASK FORCE REPORT ON WATER RESOURCES AND POWER

The economic development and conservation of water resources is vital to the future of the United States. Soundly conceived, efficiently executed, timed for our needs, it can strengthen the economy. Good development can supply new communities and growing cities with water, provide for expanding industries, open paths for transportation, water arid acres, generate power and establish means for recreation. Its management can conserve floodwaters for doing useful work and can contain, or at least reduce, floods that otherwise would endanger human lives and waste the substance of farm, factory, and city.

QUOTES FROM PRESIDENT EISENHOWER

Letter (May 26, 1954) to Secretary of the Interior Douglas McKay, designating him chairman of the Cabinet Committee on Water Resources Policy:

"The conservation and use which we make of the water resources of our Nation may in large measure determine our future progress and the standards of living of our citizens. If we are to continue to advance agriculturally and industrially we must make the best use of every drop of water which falls on our soil, or which can be extracted from the oceans."

State of the Union message, January 5, 1956:

"I wish to reemphasize the critical importance of the wise use and conservation of our great natural resources of land, forests, minerals and water, and their long-range development consistent with our agricultural policy. Water in particular now plays an increasing role in industrial processes, in the irrigation of land, in electric power, as well as in domestic uses. At the same time, it has the potential of damage and disaster.

"A comprehensive program for water conservation will be submitted to the Congress during the session. The development of our water resources cannot be accomplished overnight. The need is such that we must make faster progress and without delay."

If we do not solve the problem in an orderly fashion, we will eventually have to have a crash program, like the highway problem now confronting us, which will end up with extravagance and deficit spending, at the expense of the taxpayers of the Nation.

I voted to override the veto with great reluctance because I had to on the only criteria I know which I can follow—on the basis of right and wrong based on the facts.

Let us examine the veto message and compare it with the facts. You will then understand why it was based upon misinformation. The veto message charges a "tremendous expansion in Government expenditures in just this one area," and infers that there has been a threefold increase in expenditures, which leads us to deficit spending and our fiscal problems of today. What are the facts in respect to this? I am inserting at this point a series of tables:

Appropriations for Bureau of Reclamation

[In millions]

Appropriation made in calendar year	For fiscal year	Construction only	Total
1949	1950	$335.6	$358.9
1950	1951	243.7	271.7
1951	1952	207.8	234.4
1952	1953	177.7	206.4
1953	1954	116.3	143.0
1954	1955	133.8	161.4
1955	1956	146.0	180.1
1956	1957	157.0	193.8
1957	1958	161.8	204.5
1958	1959	214.3	265.8
1959	1960	212.1	256.7

Appropriations for Corps of Engineers

[In millions]

Appropriation made in calendar year	For fiscal year	Construction only	Total
1949	1950	$528.0	$640.6
1950	1951	595.0	619.5
1951	1952	480.0	617.2
1952	1953	464.4	562.0
1953	1954	320.5	426.6
1954	1955	352.4	443.7
1955	1956	492.2	611.9
1956	1957	516.5	639.2
1957	1958	509.8	638.6
1958	1959	671.2	816.0
1959	1960	749.1	877.6

Mr. Speaker, what do these tables show? In the first place, with regard to appropriations made by the Congress and signed by the President for each of the last 10 years:

As to reclamation, which is of primary interest to western water development, the appropriations for construction only, have dropped from $335.6 million, made in 1949 for fiscal year 1950, to $212.1 million in the bill vetoed in 1959 for fiscal year 1960—a drop of over $120 million.

For total reclamation, there was appropriated in 1949 for fiscal year 1950, $358.9 million, as compared to an appropriation in 1959 for fiscal year 1960, as vetoed, of $256.7 million, or a total drop of over $100 million. Obviously, Mr. President, this is no tremendous expansion. And those that advised you otherwise were simply in error.

In this respect, I would call the attention of my Democrat friends on the other side of the aisle to the fact that this is no party issue. These appropriations had in fact dropped to $177.7 million in 1952, the last year of the Truman administration, for construction, and to $206.4 million for total reclamation. Under this administration,

they have in fact been brought up from that low level to $212.1 million for construction, and $256.7 million for total reclamation. Both of our political parties should work together to continue to meet the problem.

With regard to the Corps of Engineers, which is primarily concerned with flood control, the tables show that there was appropriated in 1949 for fiscal year 1950, $528 million, as compared to an appropriation in 1959 for fiscal year 1960, which was vetoed, of $749.1 million, or an increase of approximately $200 million. Total appropriations in 1949 for fiscal year 1950 were $640.6 million, as compared to $877.6 million in the bill vetoed, or a total increase of $237 million. Considering increased costs of construction and the problem, this can certainly not be justified as extravagant.

When these figures, however, were presented by myself to the executive, they said, "Oh, but those are appropriation figures, and it's expenditures that really count, because that's what means deficit spending or not."

All right, let us take a look at that on an expenditure basis. At this point I am inserting a chart which shows the facts, taken from the figures furnished by the executive:

Expenditure projection—Water resource construction agencies (actual 1950–59; projected 1960–63), assuming no new starts after 1959

[In millions of dollars]

Agency	Year ending June 30—													
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Corps of Engineers (flood control)	627	610	589	693	509	501	534	610	699	779	815	865	910	880
Reclamation	298	298	256	231	196	166	166	171	226	246	270	272	290	275
Agriculture (watershed)	7	8	8	6	9	13	19	22	26	35	39	45	47	50
Total	932	916	853	930	714	680	719	803	951	1,060	1,124	1,182	1,247	1,205
Total Government expenditures	39,617	44,058	65,408	74,274	67,772	64,570	66,540	69,433	71,936	80,871	77,030	--------	--------	--------
HEW (annual appropriation for regular activities)	--------	1,763	1,741	1,987	1,928	2,001	2,099	2,480	2,736	3,300	3,449	--------	--------	--------

You will note from this chart that expenditures for reclamation construction for the fiscal year 1950 were $298 million, whereas the expenditures for the fiscal year ending June 30, 1960, projected by the executive department itself, would only be $270 million, or $28 million less. The $14 million provided in the bill vetoed would still leave this at $14 million under 1950 expenditures.

With regard to the Corps of Engineers—flood control—you will note that expenditures for construction would go up from $627 million in fiscal year 1950 to $815 million for the fiscal year 1960, or an increase of $188 million.

The total expenditures for water development construction go up from $932 million in 1950 to $1,124 million in 1960, or an increase of only $192 million. Compare this with the total increase in Government expenditures of $39,617 million for 1950 to $77,030 million estimated for 1960, and you will realize that the $47 billion increase is not caused by this bill.

I think everyone knows where the increases have been, and I have taken the Health, Education, and Welfare Department's annual appropriation to point this out.

This shows that the total appropriation for this Department's activities in the year 1951 were $1,763 million, as compared to $3,449 million for fiscal year 1960, or almost a 100-percent increase of nearly $1,700 million. This and other similar areas are the real places that spending has increased, and a bill was just signed which went $259 million over the budget requests for this year alone. That is the bill which should have been vetoed. That is the bill which, as the chart proves, has the real, built-in increases.

I am sure that my colleagues will be interested in the expenditures for water development abroad.

In this year's foreign aid bill there is money for new starts on water development projects scattered all over the world totaling $320 million.

Apparently we can afford to develop the world, but we cannot afford to develop our own country to provide for our own children.

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

Mr. THOMSON of Wyoming. I yield.

Mr. HORAN. First, I want to commend my colleague for taking this time and spreading this on the RECORD. I am familiar with quite a number of the fiscal items the gentleman is mentioning here. I think the gentleman is taking a conservative approach in painting the picture as it is. No one really knows what all we are spending in foreign countries. No one knows how many American dollars we are spending in foreign countries for the development of reclamation, irrigation, water development including flood control and hydroelectric power projects. However, in the hearings on the foreign-aid bill on page 1465, we do have a table entered there by the foreign-aid administration which lists the 10 years from April 3, 1948, until December 31, 1958, not including the 1959 and 1960 budget which the gentleman has just mentioned. The total of American dollars, and these are direct appropriations for that period, was $516 million. I think this should be a part of the RECORD because there is a resentment at home because of this apparent discrimination against our own nationals.

Mr. THOMSON of Wyoming. I thank the gentleman for his contribution, and I congratulate the gentleman from Washington for I have had the privilege of associating with him on this committee, and he is one who is really informed on the importance of water development and also the importance of fiscal responsibility and having a proper and orderly development of water resources.

Mr. HORAN. If the gentleman will yield further, I think it is in the preparation for the creation of new wealth that we will find at least a portion of our future salvation. In this day and age when through cloverleaf intersections and highways and rights-of-ways and by urban development, we are taking present reclamation projects out of production, it is certainly not well understood, and it is not liked by those who see these things happening every year for us to be cutting down on the normal and sound progress in reclamation wherever it might be.

Mr. THOMSON of Wyoming. I agree with the gentleman and I thank him.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentlewoman.

Mrs. ROGERS of Massachusetts. I do not know whether the gentleman saw the television picture of the President and Mr. Macmillan in England in which they both agreed that you must spend a great deal in developing underdeveloped countries abroad.

Mr. THOMSON of Wyoming. I cannot agree at all that we can do that at the American taxpayers' expense if we cannot develop our own country for our needs and those of our children.

Now, the people who undertook to advise the President know just as well as I do that the increases in spending have not been in the area of water development, and they know full well where they have been occurring. Why do they not have the political courage to recommend the proper action?

However, just in case their memories may need refreshing, and for the information of the Members of the House, I am inserting at this point tables taken from the "Budget in Brief for Fiscal Year 1960," prepared by the Bureau of the Budget, the Executive Office of the President, showing budget expenditures by function and budget totals and public debt for the years 1953 to 1960. Anyone who studies these tables can see where the real areas of extravagant spending are, and it is not in the military, which has gone down from $50 billion to $46 billion, and again I repeat that it is not in the water resource development.

Budget expenditures by function

[Fiscal years. In millions of dollars]

Description	Actual						Estimate	
	1953	1954	1955	1956	1957	1958	1959	1960
Major national security:								
Department of Defense	43,611	40,336	35,532	35,791	38,439	39,062	40,800	40,945
Atomic energy	1,791	1,895	1,857	1,651	1,990	2,268	2,630	2,745
Mutual security program—military assistance	3,954	3,629	2,292	2,611	2,352	2,187	2,312	1,850
Stockpiling and defense production	1,008	1,045	944	588	490	625	378	265
Total, major national security	50,363	46,904	40,626	40,641	43,270	44,142	46,120	45,805
International affairs and finance:								
Mutual security program—economic:								
Defense support	1,467	967	1,463	1,184	1,143	874	815	780
Development Loan Fund	------	------	------	------	------	2	125	200
Technical and other assistance	235	286	464	406	456	548	629	668
Other economic and technical development	258	257	34	25	86	485	1,753	120
Conduct of foreign affairs	150	130	121	120	157	176	246	216
Foreign information and exchange activities	106	91	100	111	133	149	141	145
Total, international affairs and finance	2,216	1,732	2,181	1,846	1,976	2,234	3,708	2,129
Commerce and housing:								
Aviation and space flight	239	275	253	251	295	404	678	903
Water transportation	455	370	349	420	365	392	463	488
Housing and community development	487	−506	211	54	49	357	1,236	386
General aids to business	−111	−330	−404	−83	59	115	205	213
Postal service	659	312	356	463	518	674	752	109
Civil defense and disaster aids	65	64	57	101	86	86	80	81
Regulation and other	709	631	685	824	85	81	94	63
Total, commerce and housing	2,504	817	1,504	2,030	1,455	2,109	3,509	2,243
Agriculture and agricultural resources:								
Farm price support and related programs	2,125	1,689	3,486	3,900	3,430	3,151	5,386	4,490
Agricultural land and water resources	320	253	291	305	375	448	514	675
Rural electrification and rural telephone loans	239	217	204	217	267	297	325	335
Farm ownership and operation loans	109	256	236	231	227	239	251	196
Research and other agricultural services	142	142	173	215	227	255	299	300
Total, agriculture and agricultural resources	2,936	2,557	4,389	4,868	4,526	4,389	6,775	5,996
Natural resources:								
River basin development and power	1,191	1,009	887	743	861	1,064	1,110	1,149
Forests, public domain, and Indian lands	150	164	167	198	225	249	292	279
National parks	30	33	35	44	59	69	97	83
Minerals	38	37	37	38	62	59	78	78
Fish and wildlife	34	38	43	45	51	60	69	70
Natural resources—Con.								
General resource surveys and other	34	35	34	35	38	43	61	51
Total, natural resources	1,476	1,315	1,202	1,104	1,296	1,543	1,708	1,710
Labor and welfare:								
Public assistance (payments to States to aid needy persons)	1,332	1,439	1,428	1,457	1,558	1,797	1,987	2,022
Promotion of public health	318	290	275	351	469	546	669	678
Promotion of education	290	273	324	279	290	315	436	479
Labor and manpower services	281	277	328	475	400	458	827	425
Promotion of science, research, libraries, and museums	34	33	53	56	71	72	133	228
School lunch, vocational rehabilitation, and other	171	173	165	202	235	259	328	297
Total, labor and welfare	2,426	2,485	2,575	2,821	3,022	3,447	4,380	4,129
Veterans' services and benefits:								
Compensation	1,713	1,731	1,830	1,864	1,876	2,020	2,065	2,043
Pensions	660	716	800	883	951	1,036	1,135	1,203
Hospitals and medical care	757	782	727	788	801	856	930	946
Readjustment benefits for education and training	659	546	664	767	774	699	619	490
Readjustment benefits for unemployment, loan guarantee, and other	138	158	150	123	126	168	149	115
Insurance and indemnities	102	100	57	105	47	43	44	49
Other services and administration	269	223	229	226	218	200	256	242
Total, veterans' services and benefits	4,298	4,256	4,457	4,756	4,793	5,026	5,198	5,088
Interest:								
Interest on public debt:								
Marketable obligations	3,300	3,101	3,127	3,659	4,103	4,582	4,600	5,200
Savings bonds	1,678	1,667	1,656	1,635	1,582	1,526	1,500	1,400
Special issues	1,044	1,128	1,115	1,138	1,241	1,223	1,200	1,200
Other nonmarketable issues	482	487	473	354	319	275	200	200
Interest on refunds and uninvested funds	80	88	67	60	63	82	101	96
Total, interest	6,583	6,470	6,438	6,846	7,308	7,689	7,601	8,096
General government:								
Financial management	442	449	431	475	476	502	566	563
Property and records management	185	155	164	164	194	239	343	373
FBI, alien control, and related programs	147	160	157	188	187	199	217	219
Central personnel costs	387	93	115	334	627	140	215	211
Legislative and judicial functions	78	78	91	115	130	132	153	187
District of Columbia, territories, and possessions	55	53	67	69	74	73	94	98
Weather Bureau and other	177	247	174	281	98	70	86	84
Total, general government	1,472	1,235	1,199	1,627	1,787	1,356	1,673	1,735
Allowance for contingencies	------	------	------	------	------	------	200	100
Total budget expenditures	74,274	67,772	64,570	66,540	69,433	71,936	80,871	77,030

Budget totals and public debt since 1953

[In millions of dollars]

Fiscal year	Budget receipts	Budget expenditures	Surplus (+) or deficit (−)	Public debt at end of year
1953	64,825	74,274	−9,449	266,071
1954	64,655	67,772	−3,117	271,260
1955	60,390	64,570	−4,180	274,374
1956	68,165	66,540	+1,626	272,751
1957	71,029	69,433	+1,596	270,527
1958	69,117	71,936	−2,819	276,343
1959 estimate	68,600	80,871	−12,871	285,000
1960 estimate	77,100	77,030	+70	285,000

The veto message further states that the bill would have included 67 unbudgeted projects, with an eventual cost of over $800 million. This is misleading information. Included in this figure is the Burns Creek project in Idaho which is unauthorized, and therefore could not possibly be constructed, and the Trinity power project, which the President still wants left in, both of which I shall discuss later and which total over $100 million; and the small loan project money of $17.8 million. When these are eliminated, the total cost of projects for future construction in reclamation is $85 million, instead of over $206 million.

Similar adjustments must be made for the Corps of Engineers, where Kahului Harbor project is unauthorized and therefore cannot possibly be built.

Offset against this must be the three projects which were recommended in the budget and on which construction was stopped. When these adjustments are made, we end up with less than 50 projects, with a total cost of about $500 million. This would be spread out over a construction period of 10 years. Offset against it would have to be the projects which would be completed, of which there are 40 in the coming fiscal year, with about the same total estimated cost. Therefore, the bill would not be expanding the construction program in years ahead.

I could go on at some length, continuing to show by the facts that the veto was ill considered because it was based upon false information, but I do not think that is necessary. The point is already made. What is really important is that we are now apparently deadlocked in an impossible situation.

The Appropriations Committee has today voted out the bill as vetoed, with a 2.5-percent cut in all appropriation items, which would result in the bill being below the budget estimates. Although I voted for this, I frankly doubt if it will solve the problem. Although I will vote for it again if it is brought up on the floor of the House, I would seriously doubt if it could become law.

What must be done is to take a reasonable approach to this problem and come up with some solution.

The full Appropriations Committee met yesterday at 10 o'clock. At 11:45, we adjourned after adopting a preferential motion referring the bill back to the subcommittee. This was the bill introduced by the chairman of the committee, which would have carried out his interpretation of the President's veto message, as shown on page 17455 of the CONGRESSIONAL RECORD of August 31, 1959, which I am inserting at this point, and which would strike out the construction money for all unbudgeted projects except the Trinity, and would leave in the unbudgeted advance planning and general investigation money for 121 projects.

EXTENSION OF REMARKS OF HON. CLARENCE CANNON, OF MISSOURI, IN THE HOUSE OF REPRESENTATIVES, MONDAY, AUGUST 31, 1959

Mr. CANNON. Mr. Speaker, an analysis of the veto message on the public works appropriation bill for 1960—H.R. 7509—shows clearly that the basis of the President's objection to the bill is the unbudgeted construction starts. No reference is made to unbudgeted general investigations and preconstruction planning items. Items in these categories do not represent substantial dollar commitments and the absence of any reference to them in the veto message warrants the conclusion that the President has no objection to them. Unbudgeted items added by the Congress in thse two categories are:

Rivers and harbors and flood control:	
General investigations	89
Advance planning	32
Subtotal	121
Bureau of Reclamation:	
General investigations	1
Advance planning	0
Subtotal	1
Total	122

The veto message makes no reference to increases or decreases made by the Congress on budgeted items. It can therefore be assumed that there is no objection on the President's part to the individual project figures in H.R. 7509 for all projects which were budgeted.

The only reference which the veto message makes to power facilities concerns the Trinity River project in California. The statement concedes that funds for starting Federal construction of these facilities are necessary unless partnership development with Pacific Gas & Electric Co. is authorized. In the absence of any other reference to power facilities, it may be assumed that there is no objection to other adjustments made by the Congress in the power program.

The following two lists indicate which unbudgeted items would remain in the bill and which would be eliminated if the veto is sustained:

Unbudgeted items remaining in the bill if veto is sustained

GENERAL INVESTIGATION ITEMS

Arizona:	
Gila River below Painted Rock Dam	$20,000
Gila River, Phoenix metropolitan area	30,000
Arkansas: Benton Dam survey	5,000
California:	
Dry Creek resurvey	50,000
Napa River	5,000
Soquel Creek	3,000
Sweetwater River	40,000
Connecticut:	
Connecticut River at Essex	5,000
Popuonock River, Groton	5,000
Delaware:	
Indian River Bay via Peppers Creek to Dagsboro	$9,000
Broad Creek River, Sussex County	5,000
Florida:	
Pensacola Harbor	7,500
Tampa Harbor (Ybor Channel)	27,000
Georgia:	
Oostanaula River	25,000
Savannah turning basin	4,000
Tugaloo River, Georgia and South Carolina	26,000
Illinois:	
Illinois River	25,000
Little Calumet River	10,000
Indiana: Michigan City	8,000
Kansas:	
Cow Creek	20,000
Three Mile Creek, Leavenworth	5,000
White Clay Creek, Atchison	8,000
Kentucky:	
Bunches Creek	15,000
Kentucky River	12,000
Licking River Basin	20,000
Louisiana:	
Bayou Bartholomew and tributaries	25,000
Bayou Bonfouca	10,000
Calcasieu River salt barrier	9,000
Maine:	
Kennebunk River	9,000
Monhegan River	2,500
Portsmouth Harbor, Piscatague River, Maine and N.H.	9,000
Searsport Harbor	9,000
Stave Island Harbor	8,000
Maryland: Wicomico River	15,000
Massachusetts: Town River survey	9,000
Michigan:	
Detroit metropolitan area	5,000
Holland Harbor: Lake Michigan-Lake Macatawa Channel	13,500
Kawkawlin River	8,000
Ontonagan Harbor	8,900
Red Run-Clinton River	10,000
Traverse City Harbor or Refuge	5,000
Minnesota: Levee wall at Winona	9,000
Mississippi: Okatibbe Creek	25,000
Missouri: Clarksville	6,000
Nevada: Las Vegas Wash	9,000
Nebraska:	
Missouri River slackwater navigation	10,000
Republican River	15,000
Missouri River bank, stabilization and navigation, Sioux City to Yankton	20,000
New Jersey:	
Newark Bay—Passaic River Channel	15,000
Sandy Hook Inlet (Shrewsberry River, N.J.)	25,000
New York:	
Buttermilk Channel	10,000
Cazenovia Creek	10,000
Hudson River siltation	114,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

GENERAL INVESTIGATION ITEMS—Continued

New York—Continued	
Little Neck Bay	9,000
New York State Barge Canal	10,000
New York Harbor deepwater anchorage	10,000
Tonowanda Creek	32,000
North Carolina:	
Rogue Inlet and Swensboro Harbor	15,000
Cape Fear River	10,000
Rollinson Channel-Hatteras Harbor	6,500
Shallote River	7,500
Wrights Creek	10,000
North Dakota:	
Missouri River bank stabilization, Garrison to Oahe	10,000
Souris River	10,000
Ohio:	
Chagrin River	10,000
Crab Creek at and in the vicinity of Youngstown	30,000
Mad River drainage basin	22,000
Sandusky River Basin	60,000
White Oak Creek	10,000
Oklahoma: Oklahoma City floodway extension	$6,000
Oregon:	
Rogue River	11,000
Umpqua River, north to Reedsport	11,000
Walla Walla River, Milton Freewater	13,500
Willow Creek	18,400
South Carolina: Santee River and tributaries	30,000
Texas:	
Arkansas-Red River pollution survey	75,000
Big and Little Vince Bayou	21,000
El Paso	20,000
Guadalupe River	11,000
Gulf Intercoastal Waterway Channel to Port Isabel	7,500
Lake Kemp	35,000
Neches River	10,000
Salt Fork and Prairie Dog Town Fork of the Red River	90,000
San Jacinto survey	15,000
West Fork, Double Bayou	2,000
Utah: Great Salt Lake (Saltair)	25,000
Washington:	
Ben Franklin Dam	20,000
Swinomish Slough	20,100
West Virginia:	
Deckers Creek	15,000
Twelve Pole Creek	10,000

ADVANCE PLANNING ITEMS

Alabama: Holt lock and dam	150,000
Arkansas:	
DeGray Reservoir	150,000
Gillham Reservoir	80,000
Illinois: Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Drainage and Levee District No. 1	50,000
Indiana:	
Clinton (deferred for restudy)	5,000
Sugar Creek levee	15,000
Terre Haute-Conover levee (deferred for restudy)	2,000
West Terre Haute	30,000
Iowa:	
Green Bay Levee and Drainage District No. 2	75,000
Saylorville Reservoir	200,000
Kansas:	
Frankfort	50,000
Marion Reservoir	25,000
Kentucky: No. 2 Green Reservoir	50,000
Michigan: Hammond Bay Harbor	20,000
Missouri: Marion County drainage district	73,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

New York: Herkimer	48,000
Ohio: Belleville locks and dam, Ohio and West Virginia	125,000
Oklahoma:	
Lukfata Reservoir	50,000
Pine Creek Reservoir	80,000
Oregon:	
Willamette River basin channel improvement and major drainage: Coyote and Spencer Creeks	50,000
Yaquina Bay and Harbor	100,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

Pennsylvania: Turtle Creek	25,000
Texas: Matagorda ship channel: 36-foot channel	150,000
Virgin Islands: Christiansted Harbor (inactive)	3,000
Washington:	
Columbia River between Vancouver, Wash., and The Dalles, Oreg.; (b) Bingen Barge Channel	10,000
Little Goose lock and dam	450,000

Unbudgeted items remaining in the bill if veto is sustained—Continued

ADVANCE PLANNING ITEMS—Continued

Wisconsin:	
Bad River:	
(a) Mellen Channel	25,000
(b) Odanah, moving village and raising school	25,000
Eau Galle River	75,000
Saxon Harbor	31,000

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Construction and planning:	
Greenville Harbor	60,000
Lower White River	107,000

Unbudgeted construction items to be eliminated if veto is sustained

CORPS OF ENGINEERS

Project	Benefit-cost ratio	Total estimated Federal cost	Appropriation to date	Amount in H.R. 7509
Arkansas: Beaver Reservoir [2]	1.1	$56,100,000	$1,291,000	$1,500,000
Alaska: Dillingham Harbor	1.3	412,000	6,000	406,000
California:				
Mill Creek levees	2.1	1,740,000	107,000	500,000
New Hogan Reservoir	1.7	19,300,000	740,000	1,500,000
Redwood City Harbor: 30-foot depth San Bruno Shoal entrance and Redwood Creek channels	1.6	1,380,000	2,000	1,378,000
San Jacinto River and Bautista Creek	2.1	5,770,000	215,000	225,000
Connecticut:				
Hall Meadow Brook Reservoir	2.4	2,210,000	20,000	250,000
Mad River Reservoir	1.2	5,970,000	18,000	275,000
Florida:				
Apalachicola Bay:				
(a) Channel at East Point: Reimburse	N.A.	[1] 39,100		39,100
(b) St. George Island: Reimbursement	N.A.	[1] 43,000		43,000
Intracoastal Waterway, Caloosahatchee River to Anclote River	N.A.	6,860,000	370,000	600,000
Hawaii: Kahului Harbor	2.9	963,000	14,000	140,000
Illinois:				
Drury drainage district	3.7	1,520,000	84,000	540,000
Henderson River: Diversion unit	2.8	1,750,000	150,000	550,000
Hunt drainage district and Lima Lake drainage district	1.8	5,420,000	174,000	1,000,000
Iowa: Red Rock Reservoir	1.5	71,400,000	1,717,000	1,113,000
Kansas:				
Council Grove Reservoir	1.8	12,700,000	303,000	300,000
Wilson Reservoir	1.2	18,100,000	259,000	500,000
Kentucky: No. 2 Barren Reservoir	2.3	23,500,000	214,000	1,000,000
Louisiana:				
Gulf Intracoastal Waterway: (a) Algiers Cutoff, Jefferson-Plaquemine drainage district	N.A.	[1] 1,420,000		1,420,000
Barataria Bay	3.5	2,400,000	85,000	1,000,000
Massachusetts:				
Boston Harbor: (b) 35-foot reserved channel	2.3	829,000	4,000	825,000
Westville Reservoir	1.1	7,450,000	328,000	1,800,000
Michigan: Grand Marais Harbor	N.E.	1,020,000	5,000	300,000
Mississippi: Pascagoula Harbor	1.8	1,248,000	6,000	1,242,000
Missouri: Des Moines and Mississippi Levee District No. 1	2.7	1,690,000	103,000	500,000
Nebraska: Gering and Mitchell Valleys	1.8	$1,400,000	$45,000	$350,000
New Mexico:				
Two Rivers Reservoir	1.2	6,900,000	390,000	75,000
Rio Grande Floodway, Cochiti to Rio Puerco	N.A.	4,400,000	50,000	800,000
New York:				
Buttermilk Channel [2]	N.A.	1,551,000		1,500,000
Hudson River, New York City to Albany 32-foot channel	1.9	36,300,000	65,000	500,000
New York-New Jersey pierhead line [2]	1.4	1,311,000		500,000
Ohio Street Bridge, Buffalo River	N.E.	4,520,000		2,000,000
North Carolina:				
Morehead City Harbor	1.9	1,382,000	12,000	600,000
Wilkesboro Reservoir	1.2	8,350,000	387,000	1,000,000
Ohio:				
Muskingum River Reservoir [2]	N.E.	615,000		500,000
West Branch Mahoning River Reservoir	1.3	6,940,000	261,000	525,000
Oregon: Malheur River, Vale unit	2.3	423,000	70,000	250,000
Pennsylvania:				
Allegheny River Reservoir [2]	1.3	113,000,000	2,733,000	1,400,000
Brookville	2.7	1,340,000	87,000	500,000
Shenango River Reservoir, Pennsylvania and Ohio	1.7	28,000,000	374,000	500,000
Texas:				
Colorado River channel	1.5	1,310,000	54,000	400,000
Gulf Intracoastal Waterway, channel to Port Mansfield	1.1	3,446,000	15,000	150,000
Port Aransas-Corpus Christi Waterway, channel to La Quinta	5.4	[1] 959,000	5,000	954,000
Proctor Reservoir	1.4	17,100,000	325,000	300,000
Virginia: Pound Reservoir	1.2	17,700,000	331,000	2,500,000
West Virginia:				
East Rainelle	2.0	840,000	58,000	500,000
Princeton	1.8	1,085,000	74,000	500,000
Summersville Reservoir	2.6	46,800,000	685,000	2,000,000
Flood control, Mississippi River and tributaries:				
West Tennessee tributaries	3.0	8,400,000	170,000	200,000
Wolf River and tributaries	1.3	2,025,000	43,000	300,000
Yazoo backwater	2.2	30,900,000	279,000	50,000
Total, Corps of Engineers (52 projects)		598,231,100	12,728,000	37,800,100

RECLAMATION

California: Trinity power facilities		$59,607,000		$2,415,000
Idaho: Burns Creek		44,616,000		500,000
Washington: Greater Wenatchee Division	7.0	7,579,000		500,000
Missouri River Basin:				
Kansas: Cedar Bluff unit	2.02	4,625,000		400,000
Montana: East Bench unit	2.07	20,597,000		1,000,000
Nebraska: Red Willow Dam	1.87	6,597,000	$214,253	525,000
Upper Colorado River:				
Colorado: Smith Fork	1.2	$4,420,000		$500,000
New Mexico: Hammond project	2.1	3,280,000		500,000
Wyoming: Seedskadee project	1.5	37,885,000		1,354,000
Loan program (6 projects)		17,089,500		6,016,500
Total reclamation (15 projects)		206,295,500	$214,253	13,710,500
Grand total (67 projects)		804,526,600	12,942,253	51,510,600

[1] Reimbursements to local interests.

[2] Resumption of construction.

Mr. Speaker, the full committee met again this morning, and after an hour voted to report the bill as vetoed, with the 2.5 percent across-the-board cuts.

Never did we really get down to trying to figure out a solution. It seems to me that we must do this, both as the legislative and the executive, if we are to meet our mutual responsibilities to the Nation in a manner which the people of America have a right to expect.

For this reason, I make the following suggestions, which may bring the problem into focus.

The President has repeatedly stated on other matters that he is willing to make reasonable compromise, and I think we should do likewise, but I think that as the facts above show, the Congress is basically right, and that we should not sacrifice principle or abdicate our responsibilities.

One of the things that annoyed me most and I am sure had a like effect upon many other Members who were placed in the same position, was that in deciding we would do what was right on this bill, based upon the facts, that is to vote to override the veto, we were confronted with the efforts of those who tried to tag us as "spenders" in their all-out effort to sustain the veto at all costs.

I have long realized the fiscal dangers to this Nation of irresponsible spending, and I have consistently voted for true economy since coming to Congress in 1955. All of you know that. Again, the President was not properly advised.

If we want to truly cut the cost of future programs, the place is not to cut in the construction money that was in the bill, but in the area of investigations and advance planning. The veto message was interpreted, apparently with the approval of the White House, to leave these unbudgeted funds in the bill.

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

Mr. THOMSON of Wyoming. I agree.

Mr. HORAN. We make the mistake, I think, of regarding investments in western development as grants. They are nothing of the kind; they are investments.

Mr. THOMSON of Wyoming. And they are repaid.

Mr. HORAN. They are repaid to the Treasury twice: The actual cost with certain limitations, of course; but they are repaid in full. And in addition to that, the people are enabled to create new wealth and the tax coffers benefit from western development. That should be understood thoroughly. I repeat it now.

Mr. THOMSON of Wyoming. I agree with the gentleman. Everyone familiar with the program knows that investigations and advance planning are where the money or expenditures required can really be controlled.

Everyone familiar with the program knows this. Almost all members of the Appropriations Subcommittee have agreed in our committee meetings that that is the fact. These include 32 unbudgeted projects for advance planning, at a cost of $2,389,000, but which would require over $450 million in eventual expenditures to complete in future years.

These include 89 unbudgeted projects for general investigation, for which $1,541,900 was provided in the bill, which would cost from $1 billion to $2 billion in future years to complete.

If we really want to cut the water resource development program, which I do not think we should do, this is the place where we should cut, rather than on construction items. Actually, the first year of construction money is almost entirely for advance planning. I have had this checked, and in the area of reclamation for the projects which are authorized, but were unbudgeted and vetoed, the construction money in the bill was $4,779,000. Of this, $1,915,000 would be spent for what is the same as advance planning that was approved, or in other words, to initiate preconstruction activities to include collection of design data, designs and specifications, foundation explorations and associated activities. At least we must treat these projects the same as we treat those which are left in the bill.

I decided that although I did not think it was the best course of action, that if that was to be the basis of our vote, then we should have a real economy vote, and I offered in committee an amendment which would have eliminated the unbudgeted advance planning and general investigation money.

As I say, I do not think this is the best solution, but if the projects objected to are to be left out of the bill, then I think this must be done in the interest of true economy. There is absolutely no sense in accelerating advance planning on projects, if we can't afford to go ahead on those projects which we have on hand and are ready for construction money. That would be throwing the taxpayers' money down the drain. Therefore, if the projects for which construction money was provided remain out of the bill, then I think that these unbudgeted advance planning and general investigation funds must come out, and I will offer amendments to do such, just as I did in the committee. Whether or not those amendments are supported will be the true test as far as economy and cutting down spending are concerned. As I have shown, though, this is not the area of excess spending.

Another possible solution that would permit treating the projects ready for construction money at least as favorably as the unbudgeted projects which were left in the bill, would be to provide an increase in advance planning funds in both the Corps of Engineers appropriation and the reclamation appropriation, to complete the advance planning on these projects. To accomplish this, I would insert at page 8, line 12 of the bill ordered reported by the Appropriations Committee, the following amendment:

Strike $4,788,710 and insert in lieu thereof $6,703,710, of which $1,915,000 shall be used for advance planning to include collection of design data, designs and specifications, foundation explorations and associated activities, on the Greater Wenatchee, Cedar Bluff, East Bench, Frenchman-Cambridge (Red Willow), Hammond, Smith Fork and Seedskadee projects.

The effect of this, as compared with the construction funds provided in the vetoed bill, is shown in the table which I shall insert at this point:

TABLE 6.—*Portion of figures for new starts in fiscal year 1960 budget allocated to preconstruction work*

Project	Fiscal year 1960 requirements, total	Preconstruction requirements
Greater Wenatchee	$500,000	$275,000
Missouri River Basin:		
Cedar Bluff	400,000	165,000
East Bench	1,000,000	400,000
Frenchman-Cambridge (Red Willow)	[1] 525,000	[1] 100,000
Colorado River storage project:		
Hammond	500,000	145,000
Seedskadee	1,354,000	630,000
Smith Fork	500,000	200,000
Total	4,779,000	1,915,000

[1] Red Willow: This is in addition to $150,000 in the budget program for preconstruction.

A similar amendment would have to be offered for the Corps of Engineers funds. The Corps advises me that they would require $572,000 for these activities to bring the vetoed projects for which this work has not been done up to the point that they are ready to award construction contracts. Although this would be a better solution, I still do not think it is the best one.

Finally, we come to what I think is the best solution and the one which should be adopted. I think that we should pass the bill as vetoed, with these amendments:

We should adopt the committee amendment to make an across-the-board cut of 2½ percent. This would make the appropriation below budget estimates for this year. In addition, in the area of reclamation, we should take out the Burns Creek project and the Trinity power facilities. This would result in a further reduction of current appropriations of $2,915,000, and the elimination of projects with an eventual cost of $104,233,000. Eliminating the small-loan projects which are only appropriated for 1 year, it would only leave in the bill $4,779,000 for construction of projects with a total cost of $85 million, which would be spread out over a period of 10 years and would have little impact upon future budgets.

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

Mr. THOMSON of Wyoming. I yield to the gentleman from Washington.

Mr. HORAN. The gentleman mentioned the Burns Creek and Trinity projects and said he felt they should be taken out of the bill. What was the gentleman's reason?

Mr. THOMSON of Wyoming. I will cover that.

The Burns Creek project should be eliminated because it is unauthorized and is, in my opinion, a bad project which should never be authorized. The total cost of it is really $49 million. It is strictly a power project, which would produce power at a cost of over 5.4 mills per kilowatt-hour, to be sold at 3.67 mills per kilowatt-hour, and would take millions of dollars from the true reclamation program. Regardless of whether it is a good project or not, however, it is not authorized. The House Interior Committee has passed it over for continuation of hearings next year, and there is no chance of it being authorized so as to commence construction in this fiscal year. It should come out of the bill and to take it out could not possibly do any harm.

The President was misinformed again as far as the importance of providing funds for the Trinity power facilities this year. The private utility company has stated in writing to the Secretary of the Interior and that it will continue with the preparation of final design and specifications, of required major equipment and engineering studies in collaboration with the Bureau of Reclamation engineers, and will make all of these available without charge to the Bureau. This is what the funds provided in this bill are designed to do. Mr. Dominy, the Commissioner of Reclamation, in response to a question asked by the chairman of the Senate Appropriations Committee, stated, "We could take over their designs without a measurable delay in completing this project." Here is a chance to really save the taxpayers some money. Besides that, what has happened on this bill clearly points up the need for con-

struction of the Trinity power facilities as a partnership project.

Unless we want our reclamation program brought to a halt, we cannot permit power to be used to subsidize power instead of being used for reclamation assistance. To refresh your memory, the Trinity project was authorized in the 84th Congress, with the proviso that it would be studied as to partnership possibilities, and with a rather clear understanding, as shown by the record and the law, that if this was the most beneficial way to proceed, then it would be done.

Unfortunately, even though this has been proved, the partnership has been blocked.

The President is in error about the necessity for constructing these power facilities, because the effect of this would be to produce power at a cost of 8.9 mills to 9.6 mills per kilowatt-hour, which would be sold to SMUD—Sacramento Municipal Utility District—at a rate of 4.5 mills, or at a big loss. There is no point in hurrying to construct something that is going to operate at a loss.

Furthermore, over a period of 50 years this would result in a loss to the reclamation fund of $175 million. I would say to my friends who have felt they must support this project for other reasons that his veto brings quite sharply to our attention that, unless these funds are made available to reclamation, we are going to destroy the reclamation program. Furthermore, this project would result in the loss of Federal taxes over the 50-year period of $83 million, or a total loss to the taxpayers of the Nation of over $318 million.

So I say to you, Mr. President, there should be no hurry to get this project constructed, and I say to my fellow Members of Congress that we should avoid this expenditure entirely; but, at the very least, there would be no harm done in not including it in this bill, because the same information will be provided to us for free that the money appropriated would be used to acquire, at taxpayer expense, in all events.

I am not so familiar with the Corps of Engineers appropriation, but I do know that there is $140,000 provided for construction of the Kahului Harbor project in Hawaii, which would eventually cost $963,000, and should in all events come out because it is not authorized.

In addition to that, there were 12 projects out of 28 added in the Senate which were approved in conference. I think the Members of Congress who have a real knowledge of this should get together and figure out six or seven other projects, or perhaps more, which could be rightfully taken out without doing serious damage to the water resource development program, and would materially reduce the program so that we might reasonably expect the Executive to accept it. If all of these projects are of such merit that they should be included, then I would say knock out the one unauthorized project and still go forward.

But I do think that in any event, true leadership should be shown in this House, and we should get together to pass a bill that would provide for the adequate development of this Nation's water resources, which everyone agrees is necessary, including the President.

It is unfortunate that he was given misinformation, but we should not allow the Nation to suffer. Both the Congress and the Executive have the responsibility to see that this is done. If this leadership is not shown so that this can be done, either by further action of the committee or otherwise, then I think that we should proceed to do such on the floor of the House, and will offer the amendments to do so on the basis of these remarks unless someone comes up with a better solution. I will offer these in the inverse order here presented based on what I consider their merit to be.

I urge your support of my efforts as being true economy and true responsibility.

PERSONAL EXPLANATION

Mr. BARRY. Mr. Speaker, on rollcall No. 165 I was unavoidably detained. If I had been present, I would have voted "yea." I was called away on very important business.

"THOUGH THE MILLS OF GOD GRIND SLOWLY, YET THEY GRIND EXCEEDINGLY SMALL"

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [MR. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, an editorial in today's Chicago Tribune, captioned "They're Catching Up With Glimco at Last," calls to mind the above quotation. That editorial reads:

THEY'RE CATCHING UP WITH GLIMCO AT LAST

Joey Glimco's name was not a familiar one 5 years ago when the Tribune began to publish what may be called gleanings from the biography of a thoroughly disreputable character. In fact, his name was scarcely known outside the hoodlum circles in which he moved. Since then the gleanings have become a bumper harvest. Glimco is no longer an obscure character.

In the intervening years, a few details were filled in by the Federal prosecutors, even though their attempt to send Glimco to the penitentiary, where he surely deserves to be, were unsuccessful. More information, some of it new and some of it corroboratory, came from the McClellan committee which had the advantage in conducting an investigation of the power of subpena, which our reporters lacked.

It all began when Sandy Smith, a Tribune reporter, when driving past Tony Accardo's house spotted a fancy car parked in front and noted its license number. Passing the house on several other days, he saw the same car. He took the trouble to find out who owned the car. It was registered in the name of Glimco, a name as unfamiliar then to Smith as it was to almost everybody else. He began to make inquiries. That was the start.

The effort is beginning to pay off. The Glimco who shook down the chicken wholesalers, squandered the dues of the members of his union on houses and vacations for himself and his mistress, and even used union money to defend himself against the charge he had misappropriated union money, has been ordered to resign from the presidency of Teamsters' Local 777. The order comes from the monitors appointed by the U.S. district court to cleanse the Hoffa union of many forms of corruption.

This is good but it is not enough. Glimco has yet to be tried for his violations of the criminal code of Illinois. On some of his crimes the statute of limitations has run, but his known misdeeds are many and some of them are recent enough to permit prosecution. So far, all that the forces of law in Illinois have done to him is to pick up his driver's license.

It is my hope that the editor of the Tribune is not unduly optimistic.

This incident and the editorial are called to your attention today because a lack of law enforcement by State officials—yes, and some lack on the part of Federal law enforcement agencies—made it necessary for the House today to enact additional labor legislation.

Many an outrageous, atrocious crime publicized by the McClellan committee has gone unpunished because the statute of limitations has run.

If the people will now turn their attention to, and direct their activities at, their local law-enforcing officials, insist upon a strict performance of duty, as has been the practice in days gone by in the Fourth Congressional District of Michigan, some of the outrageous situations in various cities and States may be ended, the necessity for further national legislation cease.

The incident shows that the determination of the Tribune reporter Sandy Smith finally will bring results. He is to be commended.

PRESERVING COMPETITION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Colorado [Mr. JOHNSON] is recognized for 30 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, the American people are deeply devoted to the preservation of the free competitive enterprise system. Most businessmen are willing to hold their own in the fair competitive tussle. Unhappily, the greatest enemy of the free competitive enterprise system in America is not the Communist Party; it is not government, not the labor unions; it is in the ranks of business itself. I refer to those businessmen who seek to build monopoly or destroy competition by tactics which are immoral, if not illegal, unfair and unethical.

These remarks are prompted by a situation currently occurring in the Denver metropolitan area, the suburban portion of which I represent. A few months ago several food chains and several national dairy chains touched off a milk price war whose effect was to cause the independent dairies to lose money so rapidly that a few more months of the price war would have driven some of them out of business. In the course of the price war, some of those who were hurt were more vocal than others. The spokesman for the independents, in requesting a congressional investigation—and an investigation of possible violations of Federal

law by the FTC and Department of Justice—was a fine young man representing an independent dairy operating in my district. At the hearings we recently concluded he was a witness and he was helpful to the committee in securing other witnesses who testified under oath with respect to the pricing practices prevailing in the Denver market. On August 4, 1959, he wrote me as follows:

OWEN'S DAIRY,
Englewood, Colo., August 4, 1959.

Hon. BYRON JOHNSON,
U.S. House Building,
Washington, D.C.

DEAR CONGRESSMAN JOHNSON: I find it hard to convince myself that in this wonderful country of ours one man, one company, or any minority group can, at their slightest whim, push fellow Americans out of business. Our company, as an example, is approximately 30 years old. It was started by George Owen. After several years he decided that the business was taking too many hours away from his farming. My father, Lynn Miller, purchased one-half interest in the business in 1947. Since that time he has acquired the entire business. Our family has worked day and night these past 12 years to make this business what it is today. We have a new plant, built in 1952, as well as tripling our business and replacing and adding new trucks and equipment. All our money is tied up in this business. We have a good many assets; however, they are not worth anything in times such as these. We are now faced with the prospect of being wiped out entirely, or if we happen to survive, being dictated to for the rest of our days in the dairy business.

Is this the future that faces all of America's small business? This is not the America that was envisioned by our forefathers, the men that formed the framework of our Nation. This is the road to monopoly, socialism, and finally communism. I know how you feel on this subject; how do the other Congressmen feel? Do they realize how serious this problem is? Is there anything more that I personally can do?

I know that the FTC and also the Justice Department are overworked and undermanned; nevertheless, here is an opportunity for the Government to show the monopolies that they are not going to idly stand by while at least 15 independent, reputable businessmen are wiped out. Now is the time to stop this cancer called monopoly. Not next year, or next month, but now.

I probably sound a lot like the fellow on the soapbox in the park, but maybe we need to get that type of thing back; perhaps it would awaken the people to the threat of monopoly. When monopoly controls all business they will also control all people, consumers included.

Naturally we want to continue in our business if at all possible. Whether or not our company is still in business, I will be more than willing to do anything possible to assist in the job of controlling monopoly, one of the greatest threats to our country.

Sincerely,

PAUL R. MILLER.

Mr. Speaker, he acted openly and honorably in the finest American tradition and I want to pay tribute to Paul R. Miller of Owen's Dairy for his courage. According to the information available to me, the Owen's Dairy does not have more than 2 percent of the home delivery market. It is not a major factor to Denver, but it is operated in the finest tradition of American free competitive enterprise.

Recently one of the old independent dairies, City Park, was merged with Brookridge, and City Park-Brookridge is owned and operated now not as an independent but as part of a national chain under Beatrice Foods. This national chain dairy had played a leading part in the price war and is now playing a leading part in disciplining Owen's Dairy. The word "discipline" I understand is the polite word used to define cutting the throats of those who dare to defend their rights.

I have been advised by friends of Owen's Dairy that a systematic campaign is being conducted to bribe, browbeat, or induce Owen's customers to transfer their patronage to City Park-Brookridge. Fancy premiums are offered to the customers in an effort to induce them to quit the dairy which has given them service over so long a period. Naturally, if this campaign is successful, it will destroy not just another independent dairy, it will destroy the leading spokesman for all the independent dairies in the area. The company is defending itself with a letter to its customers, as follows:

DEAR CUSTOMER: We want to take this opportunity to thank you for your patronage and loyalty, especially through the last two price wars. It is our sincere hope that you will remain one of our valued customers in spite of the concentrated efforts that one of our competitors is making to attract our customers away from us.

It is quite natual for the consumer to welcome a price war of any kind, gasoline, milk or otherwise, for the simple reason that price reductions will relieve the consumer's budget temporarily. We call your attention to the word "temporarily" because no business can continue to operate long on a basis of selling below cost. The purpose of a price war, that is, temporarily selling below cost, is to put one or more competitors out of business so that the market can be monopolized; once this happens the competitive prices now prevailing would be a thing of the past.

We welcome fair and honest competition. That is the backbone of our democratic economy. However, the actions of one nationally owned milk company do not meet this test. Our customers are being solicited by this large company—not for the immediate purpose of enlarging the success of that company—but for the purpose of crippling our business. The methods employed consist of severe price cutting, offers of free merchandise or milk products, and including false and slanderous statements about our company. The offers made to some of our customers indicate that it is the intention of this competitor to attract all of our customers away from us, regardless of the cost involved. Once successful, this large competitor could concentrate on another independent milk company such as ours, and then another, until the market was monopolized and prices could be raised without competition.

Owen's Dairy is now the initial target for this insidious scheme because it has resisted the nationally owned companies in their efforts at monopoly.

We believe we have built our business upon the basis of quality products and excellent service. We intend to continue upon exactly the same basis and assure you that you will receive the best products for the lowest consistent prices.

If you are invited to accept delivery from another company, we would welcome your call and appreciate an opportunity to discuss the matter with you. It is important to both of us.

Sincerely,

OWEN'S DAIRY.

If an American chain operation will use unfair and underhanded tactics deliberately to destroy one company for having had the temerity—the audacious courage—to avail itself of the remedies which Congress has provided, it will have effectively repealed the laws of Congress, because other businessmen will realize that if they avail themselves of the remedies which we provide, they will be destroyed.

Mr. Speaker, I submit that this kind of behavior in which a large and prosperous corporation deliberately destroys a small and lean corporation is the kind of behavior which is the worst enemy of the free competitive enterprise system. I do not believe that all is fair in love, war, politics, or business. I think men and institutions both have an obligation to the community. I think the community must judge them by the moral and ethical content of their behavior and not just by their profit and loss statements. It may well be that the Congress cannot pass laws adequate to protect the public against the destructive practices of those predatory businessmen who seek to destroy competition so as to fatten themselves at the public expense. We can do no less than try, but we can also call the whole issue to the attention of the American people, to the attention of the industry involved and to the attention of the consumers of that industry, that they may be alerted. And let me warn again, let the buyer beware.

If the buyers give their patronage exclusively to the major corporations who will offer them temporary advantages, they run risks. So long as competition prevails, they are protected against monopoly price increases, but after competition has been destroyed, monopolies will set those prices which will yield highest profits. It is much easier to take a firm out of this business than it is to get a new one in this business. Consequently monopoly profits, after competition is destroyed, are not in fact a guarantee that competition can be restored. It is awfully hard to unscramble the monopoly corporate eggs.

I want to commend not only those brave souls in the Denver area who continue to support free competitive enterprise, I also want to pay tribute to those Members of Congress and congressional staffs who seek to preserve competition. I refer especially to the members of the Select Committee on Small Business and their staff who have been standing like Horatius on the bridge safeguarding competition against the enemy within. I refer, of course, to the gentleman from Texas [Mr. PATMAN], the gentleman from Oklahoma [Mr. STEED], and their five associates.

Let me warn those who think that the free enterprise system can continue to operate as it has if it is no longer the free competitive enterprise system. If free enterprise now means monopoly, and if competition is to be sacrificed on the altar of corporate monopoly, the day will come when the American people will have to choose among three alternative routes. One route is to give the Government over to its corporate masters, and this is the route of fascism which some

nations have chosen in our generation. A second route is expanded public regulation over business in which the Government tries to tell business what it may or may not do in an effort to protect the public against the abuses of its corporate masters. The final alternative will be the more revolutionary choice of direct socialization of enterprise in which the public will take over those businesses whose behavior no longer serves the public interest. Many nations in Western Europe have been driven to some form of socialization, because they have not had a strong tradition of free competitive enterprise. In those countries cartels and monopolies have been considered good ideas and sound business practices in the past. Fortunately, they, too, have been reconsidering the virtues of competition and favoring it.

The issues with which we deal involve more than the right of one dairy to stay in business. The bigger issue is more than the morality of one business firm which seeks to destroy a competitor for using his right of free speech and right to petition for redress of grievances. The bigger issue is not only the nature of our economy but the nature of our whole society itself. Those who choose to ignore the broader issue while pursuing any route to profit, however unethical, must accept the burden of blame which history will come to lay at their door for the consequences of their action.

Meanwhile, I invite the Members of the House to support with renewed zeal the preservation of competitive free enterprise while there is yet time.

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

Mr. JOHNSON of Colorado. I yield.

Mr. STUBBLEFIELD. Referring to getting the highest price, that is synonymous to all the traffic will bear, is it not?

Mr. JOHNSON of Colorado. It is all that the traffic will bear.

Mr. STUBBLEFIELD. I want to wholeheartedly join the gentleman from Colorado in his presentation here. I am experiencing the same trouble in my district, where they are selling three half gallons of milk for $1, and the milk costs 36 cents to produce. I want to thank the gentleman for his assistance in guiding me in trying to correct that situation down there.

Mr. JOHNSON of Colorado. I certainly hope it can be corrected, not only in your district and in my district, but throughout the country. I think the competitive-enterprise system must be preserved.

Mr. STUBBLEFIELD. Would the gentleman care to comment on the effect that this cutthroat competition would have on our milk producers, the small milk producers?

Mr. JOHNSON of Colorado. The situation that was obtaining during the recent price war in the Denver area was so serious that one dairy told me they were losing more than $100 a day. This is a small dairy. Another small dairy was losing over $70 a day. Now, you do not have to be much of a mathematician to figure out how long the net worth of a corporation would last if it is a small corporation under those circumstances. More than that, if you assume the businessman has any reason or sense at all, he is going to want to bail out before he is broke and his creditors have him in the bankruptcy court. So he may be tempted to sell out to the very monopolist who brought on the condition in an effort to save what little stake he has in the hope maybe he can find someplace else to invest his money and get back into the enterprise system.

The tragedy is that the cutthroat competition is so unfair. The national chain can take the profits it makes in other parts of the country and subsidize a local outlet at great length for long periods of time without worrying about any danger to their profit situation, but the little independent businessman in this one community does not have a national chain to help him and when he is forced to sell below cost it eats into his capital quickly and drives him to the wall.

Mr. STUBBLEFIELD. Mr. Speaker, will the gentleman yield further?

Mr. JOHNSON of Colorado. I am happy to yield to the gentleman.

Mr. STUBBLEFIELD. Would the gentleman care to comment about the price spread between the producer and the consumer?

Mr. JOHNSON of Colorado. I am distressed over that. These national, vertical, integrated chains have things pretty much in their own hands. It has happened in my area of the country that the processor will own a dairy herd or several dairy herds, or a dairy milking operation, and he will lease the herd, or 3, or 5, or 10, and he will be independent for a portion of his supply. He will have a sufficient source of supply for most of his needs so that he can then ply the whip hand to the producers and say: "Either cut your price to what I will pay or I will expand my operation further and I will buy nothing from you."

This kind of situation already obtains in a portion of the livestock industry in my area and I am fearful it will prevail in the dairy industry. They want to control the supply so they can set the price to the producer even as they gouge the consumer with higher prices.

Mr. STUBBLEFIELD. The result is that when competition is eliminated a monopoly would set the price of the producer's milk.

Mr. JOHNSON of Colorado. If you are the sole buyer or if a group of buyers get together and support the set price they can set the price they will pay just as they can set the price for what they sell, since the producers have no alternative.

Mr. STUBBLEFIELD. I thank the gentleman.

Mr. JOHNSON of Colorado. I appreciate the gentleman's interest. I hope we can by this method call the attention of the American people to the risks in this vital industry, not just to the independent businessman but also to the consumer and to the producer. I want a fair price structure, but it has got to be fair for all, the producer, processor, retailer, and the consumer.

Mr. STUBBLEFIELD. I agree wholeheartedly with the gentleman.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point an editorial from the Paducah Sun-Democrat of August 31, dealing with this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

(The editorial referred to follows:)

DANGEROUS MILK PRICING PRACTICES OBVIOUS HERE, SAYS INVESTIGATOR

(By Don Pepper)

Obvious unfair pricing exists in Paducah's milk market which, unless stopped, will destroy independent producers here, a House investigator said today.

"It's just prima facie," said Brooks Robertson, the investigator. "Of course, I'm just starting the investigation, but I drove around town yesterday and saw signs on grocery windows advertising milk for 25 cents.

"You can't produce milk for that."

Robertson, investigator for the Special Subcommittee on Dairy Problems of the House Select Committee on Small Business, is conducting a 1-day inquiry into pricing practices of milk producers and distributors in this area.

FOLLOWING PATTERN

Robertson said Paducah's milk market, on the face of it, appears to be following a pattern that is nationwide.

Investigations across the Nation have shown that eight or nine giant milk producers are gradually eliminating competitors at the local level, said Robertson.

Once competition is eliminated in a locality and a milk monopoly established, milk prices shoot up to astronomical levels, he said.

"This has already happened in New York and Chicago," he said.

"There is no competition in milk in either city, and milk prices are out of sight."

NOT HERE TO RAISE PRICES

Robertson said he wanted to make it clear that he isn't in Paducah to raise milk prices.

He is here as a factfinding investigator for the subcommittee. The subcommittee, in turn, is to recommend legislation to restore competitive conditions in the dairy industry.

Violations of existing antitrust and unfair competition laws which the investigation discloses will be turned over to the Federal Trade Commission or to the Department of Justice for action.

HEARING POSSIBLE HERE

A hearing before the subcommittee could be scheduled here if the investigation fails to achieve correction of undesirable practices, said Robertson.

The practices which the subcommittee has found across the Nation, said Robertson, includes below-cost prices set up in an area by monopoly milk producers. The monopoly makes up its losses there by raising prices in another area where it has already driven out competition.

Then when competitors are destroyed in the new area, prices again shoot up to compensate for below-cost prices in another area which the monopoly seeks to dominate.

As a result of its investigations, the subcommittee has tentatively recommended three new laws:

1. To require publication of prices, discounts, rebates, allowances, commissions, loans and gifts by all sellers.

2. To prohibit price discriminations which would have the effect of substantially lessening competition or tending to create a monopoly.

3. To provide for process under the Federal Trade Commission Act for temporary injunctive relief pending issuance of final orders in litigated cases.

A bill embodying the third recommendation has already been introduced in the House. Rep. FRANK A. STUBBLEFIELD of Murray was one of several legislators who introduced a bill for that purpose.

It was at STUBBLEFIELD's request, said Robertson, that the subcommittee dispatched him to Western Kentucky to investigate the milk situation.

INFERIOR MILK ISSUE

Robertson pointed out that under monopoly conditions inferior milk frequently is placed on the market.

The McCracken County Health Department said, however, that it stands ready to guarantee consumers that inferior milk will not be sold here.

Dr. Norman Parrott pointed out that dairy products sold on the Paducah market must, by ordinance, meet U.S. Public Health Service standards.

The health department, said Dr. Parrott, feels it can enforce those standards here.

Robertson said he will be at the Irvin Cobb Hotel today and tonight to hear those affected by the milk market.

"I want to hear people from all levels of the market, from producer to consumer," said Robertson.

He said he will work all night if necessary. First he intends to hear complaints, then representatives of the larger dairies and chainstores, milk producers and consumers.

Democratic members of the subcommittee, whose chairman is Democrat TOM STEED of Oklahoma, are Representative JAMES ROOSEVELT of California and Representative CHARLES BROWN of Missouri. Republican members are Representative HOWARD W. ROBISON of New York and Representative EDWARD J. DERWINSKI of Illinois.

The parent committee is under the chairmanship of Representative WRIGHT PATMAN, Texas Democrat.

"Mr. PATMAN," said Robertson, "has devoted 30 years to the work of protecting competition in American small business. He has made it the ruling principle of his life to preserve the free enterprise system."

WESTERN STATES CONFERENCE OF YOUNG DEMOCRATIC CLUBS

Mr. QUIE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WILSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. WILSON. Mr. Speaker, word has reached many of us here in Congress of action by a supposedly responsible segment of the Democrat Party which is not only startling but does represent in fact, as one editorial writer put it, the voice of the naive.

The Western States Conference of the Young Democratic Clubs of America at a meeting in San Francisco this week adopted a resolution, with only one dissenting vote, calling for the United States to establish diplomatic relations with Red China.

I am reminded that just 2 weeks ago this House by an overwhelming vote of 368 yeas to 2 nays passed a concurrent resolution which stated:

That it is the sense of the Congress that its opposition to the seating at the United Nations of the Communist China regime as a representative of China should be and is hereby reiterated; and be it further

Resolved, That it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations.

This affirmative vote, Mr. Speaker, by all but two of our colleagues can leave no question as to the attitude of the people of the United States with respect to any recognition of this aggressor nation.

The timing of this resolution is further astounding when we consider that at the present time the Red Chinese are still holding captive American soldiers and American citizens, are assaulting the territory of free China at Quemoy and Matsu, have invaded the country of Tibet and are threatening to do the same thing in Laos, and at the present time are engaged in acts of violence on the borders of India.

Mr. Speaker, need I remind these young people that our President is at this very moment meeting with the leaders of the world in the interests of peace while the Red Chinese are committing overt acts of aggression against the free peoples of several countries.

I hope and pray, Mr. Speaker, that responsible leaders in the Democrat Party will enlighten these young people and will persuade them in their forthcoming national convention in Toledo, Ohio, to adopt responsible resolutions to disavow the resolution adopted by the Western States Conference of the Young Democratic Clubs of America.

OUR CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL POLICIES ARE MORALLY INDEFENSIBLE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. HECHLER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HECHLER. Mr. Speaker, this body yesterday had the opportunity of listening to a wise, factual, and thought-provoking speech by my distinguished colleague from Wisconsin [Mr. KASTENMEIER] on the increasing emphasis being placed on the Nation's development of chemical, biological, and radiological weapons.

My colleague, who has obviously devoted a great deal of research, study, and thought to this grave subject, expressed very precisely and thoughtfully the sobering moral issue which is parallel to and rising in importance with the accelerated development of these weapons.

I wish to concur fully with this able presentation, to congratulate my colleague on the excellence of his presentation, and to commend the reading of his remarks to every Member of this body.

I particularly want to applaud the gentleman from Wisconsin for the emphasis which he placed on the deplorable, but apparently growing tendency of our military leaders who are charged with the development of this program to disregard the essential inhumanity of these weapons and to attempt to sell them to the American people and to the world as clean or humane.

I also heartily concur with his deep concern over the abandonment by these same officials of the principle that the United States must use its strength and military might only for defensive and retaliatory purposes.

While these generals decry the notion that they might ever be accused of advocating preventive war, they speak piously against agreements "that if we are going to fight we are going to do it with our hands tied behind our backs," and urge that "we must change our policy, which is that we do not hit back until you hit us."

These pseudo sabre rattlers describe this recommended policy of striking first if it is evident that an enemy is about to strike us as preemptive war.

Mr. Speaker, I submit that it is self-evident that preemptive war is nothing more than preventive war. They are all policies that are totally alien and unacceptable to a democratic society filled with the fervent desire for real, lasting peace throughout the world.

The attitudes of many of our military leaders who now or in the past have been directly associated with the development of chemical and biological weapons is morally outrageous, and wholly indefensible in a world already groping for a solution to the awesome nuclear stalemate.

These individuals, of course, are entitled to their opinions. However, in the powerful, secrecy-cloaked offices they administer, they are given unique power to activate their philosophies in a manner that, I am sure, is detrimental to the welfare of the Nation and mankind.

Expressions of this frightening philosophy, and actions which have sprung from it, have come frequently to my attention in hearings held before the House Science and Astronautics Committee, on which I am privileged to serve.

Maj. Gen. William M. Creasy, former head of the Army's Chemical Warfare Corps, for example, scoffed at the very concept of disarmament negotiations in response to a question I put to him at one of these hearings. He went so far as to question the wisdom of disarmament discussions even in the field of nuclear weapons.

Yet just a few moments earlier he had conceded that he would use nuclear weapons to devastate four places in the Soviet Union if the Communists should start any more "brushfires" or regional agitation.

But at the same time, General Creasy was describing the biological and chemical agents which the Army is developing as "humane," and saying that they were designed to prevent war as deterrents.

Under unanimous consent, I submit the following excerpt from hearings before the House Committee on Science and Astronautics on June 16 and 22, 1959:

Mr. HECHLER: It is not the province of this committee nor do I want to get you into any discussion of high policy strategy here, but I was disturbed a little by what you inferred

about outlawing these weapons, and I would just like to ask you, are you in favor of disarmament, providing it is gangsterproof, providing you have guarantees?

General CREASY: Yes, sir; I would like utopia, also.

Mr. HECHLER: The way you answer that question——

General CREASY: I just don't believe it is practicable. I think your basic premise is you are dealing with people of integrity, and since your contract is no better than your judgment of the integrity of the people who made the contract, clearly a contract of this type would be self-voiding.

Mr. HECHLER: So, in other words, you believe not even in the nuclear field our Government should carry on negotiations for disarmament?

(No response.)

Mr. HECHLER: I don't want to press this too far, except I would like to relate your answer to this whole area that we are discussing.

General CREASY: I don't believe I could qualify myself as an expert in that area, but I think it is a fruitless exercise.

Mr. HECHLER: I can't get it through my thick head how it prevents a war to start a war. Here I think we might get into a rather long discussion which we could draw out at length which would not be profitable to this committee. But I do think it is dangerous and borders on the irresponsible to suggest this.

General CREASY: Yes, I think I disavowed any intention of talking about preventive wars. But you prevent wars by occupying a position, a posture, if you will, as well as a position, that makes it undesirable for other people to start wars with you.

Your posture is the thing that keeps him from wanting to slug it out with you. But your relative position must also be maintained. If you permit him to push you further back into a corner, whether he does this geographically or financially, you have lost the war.

Someplace in this series of withdrawals, he has really struck this blow. He has started this war. I think we must further define what this point is.

Mr. HECHLER. Mr. Speaker, I firmly believe that more information about our potential in the CBR field must be made known to the American public and to the peoples of the world. Likewise, the American people and other peoples must be informed of what the Soviet Union and her satellites are doing in this area. On the one hand we are advertising these awesome, terrible weapons as deterrents to war, and on the other simultaneously denying the world all but the sketchiest of details about them—and this usually disseminated in the lurid, sensationalized format of the Sunday supplement.

If we are truly developing these weapons to discourage the Communist bloc from ever daring to make war upon the free world, then where is the wisdom of keeping any information which might indeed deter an enemy in the darkest and most heavily guarded classified file?

And if an enemy knows nothing of the potential which we have developed or are developing, how can the generals possibly suggest that the primary nature of these weapons are defensive or deterrent?

I am not suggesting that we strip our work in this area nude to the point that the technical or academic details—which might be of value to an enemy—are even remotely visible. But even the Military Establishment, with its preoccupation for secrecy, surely could give out enough information to justify the repeated insistence that theirs is a retaliatory or deterrent operation.

Now if it seems illogical to say we are scaring the Communist hobgoblin away by not mentioning a word about the weapons which we possess for the alleged sole purpose of scaring him—and this does indeed seem highly illogical—at least it is no less senseless that the concurrent policy of keeping our own people in the dark about the weapons which might be used against them.

We can hardly conceal discussion of our own progress in the field without belittling and discrediting any progress by the Russians in the same line.

Thus our own people are denied the information that might some day save their lives. I assure you that the same is not true in the Soviet Union.

Another hearing of the Committee on Science and Astronautics brought out the startling information that possibly today even more than 30 million people in the U.S.S.R. have been trained and have become imbued with the need for this defense, CBR-wise, among the civilian population. That statement was delivered by Dr. Nathan Gordon, Chief of the Army Chemical Corps Intelligence Agency.

And the present director of the Chemical Corps, Maj. Gen. Marshall Stubbs, said that "the Soviet civilian population receives thorough training in defense against chemical and biological warfare."

How many Americans have been similarly trained to protect themselves against this exotic new means of visiting death or incapacitation against our people? Thirty million? Thirty thousand would be an overly ambitious estimate, I would imagine.

But while the leaders of this program see the necessity for such a program of civil defense, virtually nothing has been done to instrument such a program. I must admit here that from the hearings we have held, it seems evident that some efforts have gone into protecting the lives and maintaining the combat effectiveness of our soldiers, but this is little comfort to the civilian population, who certainly would become the major casualties in any widespread chemical or biological attack.

From a standpoint of sheer survivability, it seems incomprehensible that some of our leaders would suggest preemptive use of CBR weapons against a populace well trained to cope with them, knowing full well that the enemy would retaliate with similar weapons against an American people ill-trained and uninformed about the horrors of chemical and biological warfare.

I think there has been a feeling that we have not had the national leadership in the past few years in order to lead the people, pinpoint their thinking and really to stir their feelings about the absolute necessity for disarmament and peace. I think that this, very frankly, is the job of the President of the United States. And I think that he could help to wake up our people to the dangers of CBR warfare and alert them to the need for planning defenses against these horrible weapons.

Recently, I had an opportunity to appear in a taped interview with correspondent Tris Coffin, discussing the moral and strategic aspects of this terrible new form of warfare. Under unanimous consent, Mr. Speaker, I insert the text of this interview in the RECORD following my remarks.

Author, Columnist, and Radio Correspondent TRIS COFFIN: How is your moral fiber tonight? Well, the Army has found a way to tear it down completely—quite simply and cheaply, too. It's all part of a delightful new program which is being presented to the taxpayers in little, sugar-coated drops, and it's known as CBR. This stands for chemical, biological, and radiological warfare.

It was arranged to have the chemical warfare boys spread their tray of goodies before the House Science and Astronautics Committee. The committee was told that CBR is capable of tearing down the moral fiber of men, altering human behavior, and killing people with no mess at all.

One witness, a major general, described a psychochemical drug in these words: "There's a material in the human system that acts as a transmitter of a nerve impulse from one nerve joint to another. The nerve gas stops the production of this material and you do not have any nerve transmission. If this happens to nerves around the heart, the heart constricts and stops."

One member of the committee was particularly startled at the prospect of the Army chemists' brave new world. He is Congressman KEN HECHLER, of West Virginia, a former Princeton professor and White House assistant. I asked him if he did not think that the testimony was not like Aldous Huxley's famous fantasy, "Brave New World." The Congressman replied, on tape recording:

Mr. HECHLER: Well, it certainly was; and just sitting as a member of the Science and Astronautics Committee hearing about these new and terrible forms of warfare can be quite a depressing experience. I think that the reaction of some of the members of the committee was a little bit different. Others seemed to feel that this would provide a powerful new weapon in America's arsenal, but my own reaction was different. Looking at it from the standpoint of humanity and civilization itself, what steps are we going to have to take in order to protect not only our own country but all of civilization against its destruction?

Now, to my mind, it's very different to think in terms of a clean bomb or dirty bomb or certain types of warfare that are more or less destructive than others and therefore more or less humane. Naturally, all types of warfare are inhumane. Yet, it seems to me that this is an extension and a new type of warfare that's going to mean taking a lot of educational work on the part of our civilian defense to alert our people as to what is involved.

In addition to that, it's a great challenge to our social scientists, international lawyers and others who will have to figure out means of getting this within the framework of our thinking on international disarmament.

Mr. COFFIN: What are some of the types of CBR that were displayed or discussed before the committee?

Mr. HECHLER: There were several types. There are the so-called nerve gases, which in a sense change a person's personality and cause him to lose the will to fight. Then there are the more destructive agents which, if they touch the skin, can cause death in a very, very short space of time; or, if they even get on the clothing, can cause death in a few minutes.

There are agents which can be sprayed very easily from the exhaust of motor cars or motor boats, without any visible sign as

these death-dealing agents are dispersed among the populations of our cities or military installations.

Mr. COFFIN: I detected, I thought, just an example of the "soft sell" when General Creasy was testifying.

Mr. HECHLER: I wasn't exactly sure what you meant by that phrase, the soft sell, Tris. What do you mean?

Mr. COFFIN: Well, I mean he used the word "humane" so many times as if this were something that ought to be taken up and accepted by mankind.

Mr. HECHLER: This has been a tendency, I notice, among all chemical warfare officers. When I was in the infantry during the war, and we were going through basic training, the chemical warfare officer assembled us and tried to get every member of our outfit to admit that the use of gas was more humane than any other type of warfare.

Mr. COFFIN: Congressman, you also spoke about social scientists. Is there any way in which we can start from the beginning and, in effect, teach mankind that war is—as you suggest—inhumane and that we had perhaps start working from the bottom to learn how we can eliminate it.

Mr. HECHLER: I think this is highly important, Tris. You know we recognize the necessity of catching up with Russia in the training of our scientists, engineers and others who can aid in the defense of the country, by producing more death-dealing missiles and agents of war. It seems to me that equally important is the training of social scientists in the ideals and imagination that can enable us to control and live in a better world. This is a challenge to social science and it's a challenge to civilization to produce this kind of thinking that has the idealism and the willpower to move ahead and make this a safer, better and more peaceful world.

Mr. COFFIN: I think that one problem is that peace is never presented as very heroic to people. We put up statues of our generals and write our great epic poetry about wars.

Mr. HECHLER: That's true. You may recall William James' book entitled "The Moral Equivalent to War." During wartime people feel a great sense of patriotism and national unity. Peace is a hard thing to come by, and it's for this reason, I think, that we are going to have to stir up the spirit of the people to realize that peace on earth, good will toward men is one of the greatest ideals that we can strive toward.

Mr. COFFIN: As a Congressman, of course, you are very close to the people. Do you find that there is an underlying hope among people in your own district whom you talk to for peace, so we won't have to use all these weapons?

Mr. HECHLER: It's a rather vague hope, Tris. I'm afraid that people tend to be a little pessimistic about the future. They rather vaguely hope that something may come out of it, and there's a feeling that we haven't had the national leadership in the past few years in order to lead the people, pinpoint their thinking and really to stir their feelings of the absolute necessity for disarmament and peace. I think that this, very frankly, is the job of the President of the United States.

I believe he's made some fine general speeches about disarmament, but on this question we were talking about—chemical, biological, and radiological warfare—the President has not really informed the American people of what these issues are. And he has not informed them of the nature of the challenge in trying to produce a peaceful world.

Mr. COFFIN: I read a memorandum—I suppose it's supposed to be confidential—by Arthur Schlesinger in which he suggested that the people a few years ago were not ready to be led, but they are coming to the place where they are seeking leadership. Do you think that's true?

Mr. HECHLER: Yes, I think there's a great deal of that. Of course, after World War I, we had an opportunity to rest for a few years. And then during World War II, the people were stirred to quite a great pitch and then they were left emotionally tired after the war. During the late 1940's and the 1950's their noses were kept to the grindstone by the worst cold war in history followed by the worst and most frustrating limited war in history, in Korea.

As a result, there was a great tendency to want to let down at some point, and I'm afraid that this letdown, which I feel has occurred in our national leadership, has really hurt us over the past few years. Yet there is a certain ferment which I believe portends a new feeling on the part of the people that we can and must move forward. What we need now, of course, is national leadership and I believe that that can be supplied only by the White House itself.

Mr. COFFIN: Thank you, Congressman KEN HECHLER, for this thoughtful discussion. This is Tris Collins.

KHRUSHCHEV UNMASKED

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. LANE. Mr. Speaker, behind the curious make-believe attitude of the White House toward Khrushchev as it goes out of its way to confer respectability upon him, is the wishful thinking that he will abandon his life of crime after a visit to the United States.

But this master of deceit may score his most dangerous triumph by prevailing upon the Government of the United States to deceive itself.

This onetime shepherd boy became the world's No. 1 Communist by engineering mass murder, doublecrossing his associates, betraying captive peoples, and confusing other countries by his mixture of crude threats and assurances of peaceful coexistence.

The American people do not know much about the real Khrushchev and his bloodstained record. It is time they did, so that they will not be misled by his public smile or his straight-faced lies.

The alert and reliable U.S. News & World Report has contributed much to the cause of freedom through the years, but it has surpassed all its previous accomplishments in the September 7 issue, now on the stands. Its leading article, "Khrushchev—the Real Story of the Man and His Deeds," does a timely service in unmasking the unwelcome guest.

Read it and then be on guard.

WALTER R. LEE

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. LANE. Mr. Speaker, on Tuesday last, it was my privilege to join with many of my colleagues in expressing our regret that Walter R. Lee, legislative assistant to the House Committee on the Judiciary, had decided to retire from Capitol Hill. Only last weekend, without any warning, he became ill at his work, and due to the emergency, it was necessary to have him admitted to the hospital for medical attention.

However, I am pleased to advise that he is convalescing at his home and is well on the road to a full and speedy recovery.

Walter has written me expressing his thanks and appreciation for the tribute accorded him on the floor of the House, and the following is his letter:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., September 3, 1959.

Hon. THOMAS J. LANE,
House Office Building,
Washington, D.C.

DEAR MR. LANE: Words are so inadequate to express my deep appreciation and heartfelt thanks to you for the tribute paid me on the House floor on Tuesday. Through you, I want to express my thanks to the Members of the House who so kindly expressed themselves in my behalf. I do not feel that I am worthy of the many kind remarks.

I am sure that you and my many friends know that it is not an easy task for me to say farewell to Capitol Hill and as I said to the committee last week, I hope that I may be able to enjoy my retirement with as much pleasure as I have my work and association with the Members of the Congress.

Through this media, because it is impossible for me to thank each one personally now, I want to thank the many Members and staffs for the many letters, cards, and telegrams which I have received on my retirement and illness and the beautiful flowers sent me in the hospital and since I am home.

I am on the road to complete recovery. So says my fine doctor, and I myself feel that I am, for which I am most thankful.

With all good wishes.

Most gratefully,

WALTER R. LEE.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TEAGUE of Texas (at the request of Mr. YOUNG) for September 4 and 5, 1959, on account of official business.

Mr. HEMPHILL, for 1 day, September 5, 1959, on account of illness of his wife.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 10 minutes, today, Saturday, and Monday next.

Mr. FEIGHAN, for 30 minutes, tomorrow.

Mr. MOORHEAD, for 15 minutes, on September 8.

Mr. BAILEY, for 20 minutes, on September 9.

Mr. HALPERN, for 10 minutes, today.

Mr. EVINS (at the request of Mr. JOHNSON of Colorado), for 30 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. IKARD and Mr. BOGGS (at the request of Mr. MILLS) and to include extraneous matter in connection with their statements made in the Committee of the Whole today.

Mr. PORTER.

Mr. MACK of Washington.

(At the request of Mr. QUIE, and to include extraneous matter, the following:)

Mr. KNOX.

Mr. SAYLOR.

Mr. SIMPSON of Pennsylvania.

The following Members (at the request of Mr. JOHNSON of Colorado) and to include extraneous matter:

Mr. RODINO.

Mr. MULTER.

Mr. BREWSTER.

Mr. ABBITT.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

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, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.J. Res. 406. Joint resolution to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. Joint resolution for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 53. An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.; and

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration reported that that committee did on this day deliver to the White House for presentation to the President, for his approval, bills and joint resolutions of the House of the following titles:

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, and to permit the States of California, Kansas, North Dakota, and Vermont to obtain social security coverage, under State agreement, for policemen and firemen in positions covered by a retirement system;

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, to liberalize the tariff laws for works of art and other exhibition material, and for other purposes;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 6939. An act to repeal the act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes;

H.R. 8374. To act to amend Public Law 85–880, and for other purposes;

H.J. Res. 406. An act to facilitate the admission into the United States of certain aliens;

H.J. Res. 444. An act for the relief of certain aliens; and

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens.

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Saturday, September 5, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1357. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of Agriculture for "Forest protection and utilization, Forest Service," for the fiscal year 1960, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1358. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1960, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

1359. A letter from the Under Secretary, Department of the Air Force, transmitting a report of claims paid by the Department of the Air Force for fiscal year 1959, pursuant to section 2732(f) of title 10, United States Code, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRANT: Committee on Agriculture. S. 2504. An act to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes; with amendment (Rept. No. 1149). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 8289. A bill to accelerate the commencing date of civil service retirement annuities, and for other purposes; without amendment (Rept. No. 1150). Referred to the Committee of the Whole House on the State of the Union.

Mr. SELDEN: Committee on Foreign Affairs. H.R. 9069. A bill to provide standards for the issuance of passports, and for other purposes; with amendment (Rept. No. 1151). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. H.R. 9105. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 1152). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H.R. 9084. A bill to repeal certain retirement promotion authority of the Coast and Geodetic Survey; to the Committee on Merchant Marine and Fisheries.

By Mr. BRADEMAS:

H.R. 9085. A bill to abolish the poll tax as a condition of voting in any primary or other election for national officers; to the Committee on House Administration.

By Mr. BROOMFIELD:

H.R. 9086. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLYNT:

H.R. 9087. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimp and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

By Mr. HAGEN:

H.R. 9088. A bill to provide for an exchange of land between the Bureau of Reclamation and the city of Delano, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. KEARNS:

H.R. 9089. A bill to amend section 8(b)(4) of the National Labor Relations Act, as

amended; to the Committee on Education and Labor.

By Mr. KILGORE:

H.R. 9090. A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McDOWELL:

H.R. 9091. A bill to promote the foreign policy of the United States by providing for the appointment of an assistant to the Secretary of State to assure the coherent development of all official international cultural activities of the United States; to the Committee on Foreign Affairs.

By Mr. McGINLEY:

H.R. 9092. A bill to amend subsection (b) of section 334 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. McINTIRE:

H.R. 9093. A bill to amend the Internal Revenue Code of 1954 to provide for refund to States of certain taxes on distilled spirits and wine destroyed by fire, casualty, or act of God; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 9094. A bill to establish the U.S. Study Commission on the Development of the Rivers, Ports, and Drainage Basins (and intervening areas) of the State of Alaska; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H.R. 9095. A bill to provide for the establishment of Cape Cod National Seashore Park; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 9096. A bill to strengthen the criminal penalties for the mailing, importing, or transporting of obscene matter, and for other purposes; to the Committee on the Judiciary.

H.R. 9097. 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. YOUNG:

H.R. 9098. A bill to amend the Tariff Act of 1930 to provide for the establishment of country-by-country quotas for the importation of shrimps and shrimp products, to impose a duty on all unprocessed shrimp imported in excess of the applicable quota, and to impose a duty on processed shrimp and prohibit its importation in excess of the applicable quota; to the Committee on Ways and Means.

H.R. 9099. A bill to save and preserve for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 9100. A bill to amend section 8(b)(4) of the National Labor Relations Act as amended; to the Committee on Education and Labor.

By Mr. BOYKIN:

H.R. 9101. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. FORAND:

H.R. 9102. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. OSTERTAG:

H.R. 9103. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H.R. 9104. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. CANNON:

H.R. 9105. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. BYRNES of Wisconsin:

H.J. Res. 519. Joint resolution to amend the Constitution to enable the Congress to function effectively in time of emergency or disaster; 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. BALDWIN:

H.R. 9106. A bill for the relief of John E. Simpson; to the Committee on the Judiciary.

By Mr. CANFIELD:

H.R. 9107. A bill for the relief of Joseph Maz; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 9108. A bill for the relief of Frank De Nardo; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 9109. A bill for the relief of Elio Tapparelli; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 9110. A bill to exempt from taxation certain property of the National Woman's Party, Inc., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LESINSKI:

H.R. 9111. A bill for the relief of Amalia Sandel Malachowski and her minor child, Barbara Sandel; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 9112. A bill for the relief of Mrs. Fannie A. Dablias; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 9113. A bill for the relief of Mihaly Matrai; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 9114. A bill for the relief of Wallace Edward Wells; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Crab and Oyster Imports

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. MACK of Washington. Mr. Speaker, canned crabmeat and canned oyster imports from Japan are increasing at an alarming rate and threaten the prosperity and employment in the Pacific coast shellfish industry.

In the first 6 months of 1959 canned crabmeat imports from Japan totaled 4,289,000 pounds compared to 2,739,000 in the same period of the preceding year. This is an increase of 56 percent.

Canned oyster imports from Japan for the first 6 months of 1959 were 2,600,000 pounds compared to 1,853,000 pounds in the same 6 months of 1958 or an increase of 40 percent.

I have written to Representative HERBERT C. BONNER, chairman of the House Committee on Merchant Marine and Fisheries, urging that his committee this fall investigate the impact of these increasing canned shellfish imports upon the prosperity and employment in the American shellfish industry and to make recommendations to Congress as to the most effective way to protect the domestic industry against damage.

Convention of the Ukrainian American Youth Association

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. RODINO. Mr. Speaker, I would like to take this opportunity to greet the Ukrainian American Youth Association which is about to hold a convention marking the 10th year of the existence of this great organization. Some 8,000 delegates will shortly meet simultaneously at Spring Glen, N.Y., and in Detroit, Mich. They deserve our good wishes, our encouragement, and our applause. It is events such as these which lend inspiration to the whole movement and which give them the courage to continue their dedication to freedom and independence.

To descendants of the people of the Ukraine the battle against Russian imperialism is no new event. They have struggled against Russian tyranny for 300 years. Indeed, their forthcoming convention heralds the 300th anniversary of the triumphant victory of the Ukrainian Army against the Russians at Konotop, and the 250th anniversary of their tragic defeat by the Russian Army at Poltava. The Ukrainian-American knows perhaps better than any of us the threat and the danger of Russian aggression, because they have fought it when it bore the flag of the Czar, and continue to fight it when it carries the flag of the hammer and sickle. Their persistent spirit and dedication to the cause of freedom should serve as an inspiration to all of us.

I want to especially congratulate those members of my district who will be among those attending this fine and praiseworthy convention. They make up an important segment of the Ukrainian Youth Association. Their voices will be strong in the forthcoming proceedings.

I deeply regret my inability to attend and participate in this event, as I have on numerous occasions in the past. I will be with them in spirit, as I think all of us will be, and I wish them success and fulfillment in their great endeavors.

Lafayette-Marne Day, September 6

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. MULTER. Mr. Speaker, Marquis de Lafayette, whose 202d birth anniversary falls on September 6, was the hero of two continents, the pride of two nations struggling for democracy and freedom.

He was born in 1757 in a chateau in Auvergne, France, and at the time of his death, in 1834, his name had become a household name both in France and in America.

This gallant and gifted son of France, who, in the course of our War of Independence, rendered invaluable services and thereby earned the everlasting gratitude of the American people, was a remarkable man in many ways. In mid-1777, when he asked for and received a commission of major general, the highest rank after the commander in chief, he had not passed his 20th birthday. The youthful and precocious soldier of freedom quickly acquitted himself most honorably on the battlefield. As a resourceful leader and first-rate tactician, his abilities were fully appreciated by Washington.

When his military career in this country came to an end after the Battle of Yorktown he returned to France. There he was made a major general in the French Army in 1781. Later he found himself in the very center of the French Revolution. In 1787 he became a member of the Assembly of Notables, and some time before the Revolution he urged the King to convoke the States-General. During the Revolution he constantly pleaded for personal freedom—for the abolition of arbitrary imprisonment, for religious tolerance, for popular representation, and for the establishment of trial by jury. He was rebuffed by many of the violently Revolutionary leaders. He was sadly disappointed with the course of the Revolution.

For a while he had to flee France, and lived in retirement. In 1824 he revisited the United States at the invitation of President Monroe. Here he was overwhelmed with popular applause, and the Congress voted him the sum of $200,000. He gratefully accepted the gift, returned to his native land. He died on May 20, 1834.

Today in honoring the memory of this great soldier of freedom on his 202d anniversary, we also observe another event falling on the same date, September 6, that is, Marne Day, marking the first battle of the Marne which began 45 years ago early in the First World War and continued for the next 3 days. That battle has often been described as the turning point in that war. By participating in that world struggle and thus insuring the conclusion of that war in favor of democratic forces, we also repaid some of the debt to France which America had incurred at the time of our War of Independence.

In expressing our gratitude for General Lafayette's signal services to this country, and also in expressing our profound admiration for the gallant French soldiers who almost alone fought successfully in the first Battle of the Marne, we pay our respect to their blessed memory.

The Situation in Laos

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me with respect to the situation in Laos. The statement calls for renewed efforts for the establishment of a United Nations police force.

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

STATEMENT BY SENATOR KEATING

The morning radio reports that the Government of Laos has asked the help of the United Nations in curbing the invading Communist forces calls for immediate action by the United States and the U.N. This is a legitimate request of a duly constituted government which is being victimized by outside aggression, and the free world cannot ignore it. No matter how much Peiping and Moscow may proclaim their innocence, the machinations of the international Communist conspiracy are clearly evident in the events in Laos.

I hope the United States will see its way clear to send further aid to the people of Laos in this crisis. I hope, in addition, that the wheels will begin to turn within the United Nations for the creation of a permanent international army which can deal with nibbling Communist aggression such as this. I am today writing to the President urging him to instruct the Secretary of State and our Ambassador to the United Nations to press for positive steps by the U.N. for the establishment of an international police force. Perhaps the crisis in Laos can serve as the spur needed for the U.N. to take this essential step to the building of lasting peace.

One of the most tragic aspects of the request of the Laos Government for U.N. help is that the U.N. does not have any kind of police force which can be rushed into the breach. There is no international army primed for instant action when such conflagrations break out around the world.

It is true, of course, that there is a splendid precedent for using a U.N. group as a buffer between warring states. The special U.N. Emergency Force has wrought miracles in patrolling the Israeli-Egyptian border in the wake of the conflict there. It has provided the cushion which was needed to keep the protagonists apart and promote stability in an area of acute tension.

It is my firm conviction there has been sufficient study and experience concerning a United Nations police force. There is plenty of evidence to show how great a factor it could be in preserving peace. No nation of good will can in good conscience oppose the creation of such a group.

Indeed, I believe we would have every right to question the motives of any nation which would oppose this essential step toward establishing a firm and lasting peace. The United States has repeatedly demonstrated its willingness to participate in an international army for peace and its resolve has been bolstered by resolutions adopted by the Congress.

Certainly, outbreaks of aggression such as we have witnessed in recent years in Korea, Hungary, various places in the Middle East and Far East, and now in Laos, make an international army an imperative the world can ill afford to ignore any longer.

It should, of course, be under the control of the United Nations, ready to move instantly in case of an international emergency at the request of a member government which believes itself threatened by outside aggression or subversion directed by another country.

In a world contracted by speedy communications and transportation, in a world in which so many nations possess the terribly destructive weapons of modern warfare, any international conflict—no matter how localized—can spread like wildfire and thus present a real threat to world stability. The only feasible answer to this challenge to the peace of the world is a U.N. force capable of so spreading an international mantle over an embattled area as to inhibit—if not directly to prevent the spreading of any local conflict.

A U.N. police force need not be a huge, all-powerful army. It might not number more than 50,000 or 60,000. It might perhaps be best to establish a firm nucleus at all times centered under one command, with other forces in the individual countries available upon call.

The smaller nations should form the backbone of this international group. This will prevent the bigger powers running the risk of being dragged into a nuclear conflict which could doom all mankind.

Such an international army could not—and should not—fight wars. But it could serve as an effective deterrent to hostilities, could be a focus for the moral opinion of the world, and could serve numerous practical buffer uses in observation, patrol, and guard duty between hostile states.

Because of the dangers inherent in man's vast technological and material progress, because of the repeatedly demonstrated determination of some powers to stir up trouble at every opportunity, we must search with imagination and foresight for the answers to the enigmas of world peace. Today we have too little of either—at a time when we stand in desperate need of both.

Time is running short. Each new crisis brings us closer to the potential horrors of world war III. The next international brush fire may set off that world conflagration if the nations of the world do not rise to the occasion.

A permanent United Nations police force provides a new, decisive means by which the nations of the world which sincerely believe in peace can provide the machinery to quarantine regional conflicts and Communist military probes, and thus better insure their solution. It would be fitting for the United States, with its demonstrated dedication to creating a peace based on justice and morality, and with its repeatedly affirmed belief in the United Nations, to take the lead in this great task.

In the meantime, I am extremely hopeful our Government will do everything possible to give aid and comfort to the embattled

Government of Laos. I hope steps can be taken within the U.N. to establish a temporary, emergency police unit to come to the aid of that nation as it attempts to resist the Communist. I hope ways and means will be found to send additional American aid to Laos. Clearly, the United States and the free world cannot stand idly by while Laos is engulfed in the tide of the international Communist conspiracy.

Ill-Considered Threat

EXTENSION OF REMARKS

OF

HON. VICTOR A. KNOX

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. KNOX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following news report that I have sent to my constituents in the 11th Congressional District of Michigan:

Much has been written and said during the last few weeks about labor reform legislation, especially the Landrum-Griffin bill. I have received hundreds of letters, telegrams, and post cards on this subject from all parts of the Nation. None of these contained a threatening tenor, except for the form letter I have received from James B. Carey, president of the International Union of Electrical, Radio and Machine Workers. So that my constituents may be informed in this matter, I am including a copy of his letter and setting out my reply to him. His threatening communication is a reflection on the citizens of the United States and an un-American attempt to intimidate the Congress of the United States.

AUGUST 18, 1959.

DEAR CONGRESSMAN: Only you know, in the privacy of your own conscience, whether you carefully considered the possible consequences of the Landrum-Griffin bill when you voted for it on August 13, 1959. If you did, and realized that it is a punitive, repressive measure intended to weaken all labor unions and thereby all working men and women, you have much to answer for. If you did not, and merely yielded to the pressures of the chamber of commerce and the National Association of Manufacturers, your guilt is perhaps even greater.

You should realize now, if you did not during the heat of battle, that this vindictive assault on the labor movement will, in the long run, prove to your constituents that you are less interested in individual rights and democracy than in property rights and the concentration of power in the hands of big business.

You may believe that you are safe in such action because organized labor is relatively weak in your district, and cannot call you to account for the damage you have sought to do to it. You may be right—at the moment.

We wish to assure you, however, that we shall do all in our power to prove to the working men and women in your district that you have cast your lot against them and they should therefore take appropriate action at the ballot box.

Very truly yours,

JAMES B. CAREY, *President*.

AUGUST 21, 1959.

DEAR MR. CAREY: I have received your form letter of August 18 endeavoring to intimidate me because of my favorable vote on August 12, 1959, in support of the Landrum-Griffin bill, which also was supported by President Eisenhower as well as by 303 of my colleagues out of the total membership of 426 in the House of Representatives.

It is interesting to note that you have described this legislation as "a punitive and repressive measure." This phrase characterizes the tenor of your letter. In my judgment your action constitutes a grave and intemperate misuse of the money of the rank and file of labor union members. By your ill-considered threat you are exposing the labor boss practice of the denial of the basic rights and democratic processes of your union members. A threat from you is no more terrifying to me than would be a threat from Mr. Hoffa, although I believe even he would be inclined to use better judgment than you have demonstrated.

By your act you have caused me to realize more than ever that I was correct in voting for the Landrum-Griffin bill. I am sure my voting record has proven to my constituency that I am interested in individual rights and democracy more than in the concentration of power in the hands of big business, regardless of whether that big business be the management boss or the labor boss.

The people of the 11th Congressional District of Michigan will not yield to the unthinking dudgeon of any labor leader when they are exercising the right to mark their ballot in secret for the candidates of their choice. Similarly, I would not, and did not yield to any pressures from the National Association of Manufacturers and the chamber of commerce, as you allege, when I cast my vote for the Landrum-Griffin bill.

I have always supported legislation that would protect the rights of labor union members and would rid the unions of the practices of corruption, breach of trust, gangsterism, violence, and abuses of power. The political hoodlumism that you imply will be brought to bear against me does not dismay me, and I am sure it will not be persuasive with the thinking people of my congressional district.

In order that my constituency may be aware of your activities I am sending a copy of your letter and my reply to all individuals on my mailing list. I respect the intelligence of the people whom I have the honor to represent, and know that they too will realize more than ever the real need for the enactment of the provisions of the Landrum-Griffin bill.

Yours truly,

VICTOR A. KNOX,
Member of Congress.

Settlement of Bethlehem Steel Co. Dispute With Shipbuilding Workers Is Vital to Our Country's Defense

EXTENSION OF REMARKS

OF

HON. DANIEL B. BREWSTER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. BREWSTER. Mr. Speaker, my esteemed colleague, the gentleman from Massachusetts [Mr. BURKE] has done the Members of the House of Representatives and the public a signal service by forcefully calling to our attention the present stalemate in contract negotiations between the Bethlehem Steel Co. and the Industrial Union of Marine and Shipbuilding Workers of America, AFL–CIO.

It has been pointed out that the Bethlehem Steel Co. operates 8 shipyards along the Atlantic coast employing some 17,000 men who represent the core of shipbuilding know-how in the eastern United States. One of these yards is located in my district at Sparrows Point, Md., and I, personally, know many of the men employed there who have devoted their entire lives to the shipbuilding industry. The Industrial Union of Marine and Shipbuilding Workers of America, AFL–CIO, is one of the country's most highly respected unions. Its members have proved time and again that they are willing to place our country's strength and well-being above their own economic interest.

The union's contract with Bethlehem Steel expired on July 31, 1959. Prior to that time the union's representatives had begun efforts to negotiate a new collective bargaining agreement with the company. The company has presented the union with demands that the union simply could not accept. Principal among these demands is the threatened elimination of the seniority rights of many highly skilled craftsmen.

I believe that the shipyard workers have given strong evidence of their desire to bargain in good faith. They have proposed that the expired agreement be extended for a brief period in order that negotiations could continue. This offer was refused by the company. The union then offered to submit both the company's demands and the union's proposals to arbitration. This offer was also rejected by the company. The union members have further shown their good faith by continuing on the job despite the fact they do not have a contract.

This is particularly significant because in many of its yards Bethlehem shipbuilding is engaged in vitally important work for the U.S. Navy. At this time Bethlehem shipyards are building the nuclear missile carrier *Long Beach* and the nuclear frigate *Bainbridge*. At the same time one of its yards is converting the missile firing cruiser *Springfield*. We simply cannot afford to lose any more ground in our efforts to match and surpass the growing Soviet military machine.

I call upon both labor and management to join in full and open collective bargaining in keeping with our established tradition of fair play. It has been suggested that the House Armed Services Committee's subcommittee on defense activities conduct an immediate factfinding investigation. There is ample precedent for this step because the same subcommittee investigated a similar situation in 1954. The previous investigation produced favorable results and should the present situation continue, I, as a member of the Armed Services Committee, will support the request for committee action.

I am further concerned by this situation because recently two of our Atlantic coast shipbuilding concerns lost sizable contracts to California shipbuilders. These contracts were lost because of an unfair and artificial 6 percent advantage given California firms by an archaic section of the Merchant Marine Act. I have introduced H.R. 8176, which will repeal this unfair clause. If the east coast firms are to compete successfully with other areas, with or without this

unfair advantage presently enjoyed by some, we must have fair and stable labor-management relations.

We must also consider the absolute necessity of maintaining our pool of highly skilled and experienced shipyard workers. The collective know-how of these men is vital to our national security. The dissipation and eventual loss of these special skills could have a far-reaching effect on our country's ability to produce today's nuclear vessels.

Glittering Generalities Courtesy of A.T. & T.

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. PORTER. Mr. Speaker, last month I read with interest a full-page advertisement which the American Telephone & Telegraph Co. placed in Life magazine August 3. It was entitled "Why in Heaven Don't You Speak Out on Inflation?"

Naturally I was interested. I estimate that millions of readers saw that appeal.

I believe this ad is part of a campaign being waged by big business as a part of the antediluvian thinking of the Republican Party. I have replied to other such ads and I have sent copies to the Bureau of Internal Revenue to see if they are legitimately paid for as a business expense.

Now no one is against a strong, sound, and stable dollar.

No one likes unreasonable demands.

No one approves excessive spending.

Neither do we approve of child beating or the kicking of dogs.

My point, Mr. Speaker, is that this ad, like too many appearing in newspapers and magazines these days, deals with glittering generalities. The vague proposal or statement is a favorite weapon of Madison Avenue.

I have written to the president of the American Telephone & Telegraph Co., Mr. Frederick R. Kappel, to offer some comments about his company's participation in what appears to be a big phony anti-inflation campaign.

The advertisement and my letter to Mr. Kappel follow.

AN INTERESTING LETTER SAID, "WHY IN HEAVEN DON'T YOU SPEAK OUT ON INFLATION?"

I have received a number of letters from men and women who are concerned about inflation. One A.T. & T. shareowner asked, "Why in heaven don't you speak out on this subject?"

The letter went on to say, "If you would alert the 1,625,000 shareowners and 700,000 employees to the facts about inflation, they would help spread the news."

I warmly agree that it is essential to alert more people to the dangers of inflation and we in the Bell System are speaking up and speaking out at every opportunity.

In recent articles and bulletins to employees, the Bell System companies have discussed the threat which inflation poses to the purchasing power of the dollar and to savings, insurance, and pensions.

At the annual meeting of A.T. & T. shareowners I pointed out that inflation has been a tough problem in the telephone business. But we have not just talked about the problem—we have developed more efficient equipment and introduced many economies of operation. It is worth noting that the price of telephone service generally has gone up less since World War II than most other things.

But we know that the forces of inflation are far too widespread and powerful for any one individual or business to stem them singlehanded.

This brings me to the question that I believe so many are asking: "How can I help?" In these ways, it seems to me:

By giving spoken and written support to those who are working for a strong, sound, and stable dollar.

By opposing unreasonable demands, excessive spending, and schemes that add fuel to the inflationary fire.

Your friends and associates, and especially your representatives in Congress, are entitled to your constructive views.

For our part, we will continue to fight inflation by pushing research hard and effecting economies in our business. And by speaking out against this threat to the people and the country.

FREDERICK R. KAPPEL,
President, American Telephone & Telegraph Co.
NEW YORK, N.Y.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., Sept. 3, 1959.

Mr. FREDERICK R. KAPPEL,
President, American Telephone & Telegraph Co., New York, N.Y.

DEAR MR. KAPPEL: Your full-page advertisement in the August 3 issue of Life magazine, entitled "Why in Heaven Don't You Speak Out on Inflation?" appears to be part of a concerted effort by big business corporations to influence public policy through paid ads in national magazines.

As I read your advertisement I could not help but reflect that you must have a pretty poor opinion of the intelligence of the American people to think that they could be influenced by so vacuous a statement. You are for a strong, sound, and stable dollar. So are we all. What specifically, then, is it that you would have us speak out against?

You urge the public to oppose unreasonable demands. But what the unreasonable demands are that should be opposed you do not tell us. Has it occurred to you that many of the readers of the advertisement might regard putting pressure upon governmental regulatory agencies to establish rates that add considerably to the cost of telephone service as falling into the category of unreasonable demands? And, you know, rate hikes are also inflationary.

The recent order of the Federal Communications Commission, cutting long-distance telephone rates by $50 million a year, would seem to indicate that if you were genuinely concerned about containing the forces of inflation you would make every effort to achieve a downward revision of the toll charges to your customers without putting the Government into position of having to do it for you.

Your urge us to oppose excessive spending. Here again you are deliberately vague. Surely, it is not your intention that the consumer should curtail his expenditures for telephone services. I presume that what you do have in mind is the reduction of governmental expenditures. Shall we curtail outlays for national defense, foreign aid, highways, schools, etc.? Shall the letters which you urge the public to write aim to support those Members in Congress who wish to maintain a lid on interest rates so as to keep down the cost of servicing the Government debt? Unfortunately, you furnish us with no guidance. Certainly you would want us to be discriminating. Otherwise the public might end up by unwittingly urging the adoption of proposals advanced by the Democratic Party rather than those advocated by the Republican administration, in support of which you are using the funds of the A.T. & T. for paid advertisements.

What we need from business leadership is more enlightenment rather than obfuscation, less of an appeal to the emotions and more to the rational consideration of great national issues. Madison Avenue techniques for getting people to purchase commodities are hardly the tools for promoting understanding and for arriving at intelligent decisions in matters of public policy.

As one of the largest business corporations in America, the A.T. & T. has joined the ranks of what is essentially an antidemocratic movement among certain top business leaders who are determined to employ the funds of their corporations for the purpose of influencing public opinion. Have you ascertained how many of your 1,625,000 shareholders would endorse your campaign to frighten Americans about inflation? I am certain that there are a great many stockholders who do not share your views on political and economic issues. They would, of course, not question your right as a private citizen to publicly express your views. But it is another matter when you use the name and funds of your company to foist on the public your personal opinions as to current events. The taxpayer has also a right to be aggrieved when these paid advertisements are charged off as a corporate expense.

You must have noticed, Mr. Kappel, that 2 weeks after you felt compelled through your advertisement to alert the American people on the threat of inflation, the second report of what is popularly known as the Nixon Anti-inflation Committee was released. In contrast to the first report, issued only 7 weeks earlier, which stated that "our economy is now at a critical juncture urgently requiring action to forestall inflation," the second one contained no warning about the imminence of inflation. In the words of Business Week (Aug. 22), the former bristled with a sense of crisis with respect to inflation, while the latter was described as playing down inflation talk, with greater attention given to economic growth. This suggests that before you commit yourself to another full-page advertisement you had better check with the Vice President as to what is the latest official line. In that way you might get the maximum benefit out of your advertising expenditures.

May I remind you, Mr. Kappel, that during the past year when the administration was clamoring vociferously that inflation was so pressing and immediate a threat, fellow legislators with whose thinking I agree have pointed out that there was little basis in fact to support the administration's claims; that the Consumer Price Index had remained more or less at a constant level throughout the year; that most of the increases in the price level had occurred during and shortly after wars, when too many dollars were chasing too few goods; and that in view of our great responsibilities as the leading nation of the free world and of our neglected needs at home, it was imperative that the administration concentrate its efforts on promoting the acceleration of the American rate of economic growth.

I can only draw one conlusion from the anti-inflation campaign. The term "inflation" has come to be a slogan employed by conservative elements to defeat any legislation which they look upon with disfavor. It is a weapon used to frighten us away from measures designed to improve the lot of the common man through programs for

the removal of slum and blighted areas, for strengthening our school systems, and for expenditures on much needed public services and facilities. It also has had the unfortunate result of taking dangerous risks with the future of our national security through inadequate support of much needed defense expenditures.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

Report of U.S. Commission on Civil Rights

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by me with respect to the report of the United States Commission on Civil Rights.

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

STATEMENT BY SENATOR KEATING

The report of the Commission on Civil Rights, although not yet officially released, already has stirred violent verbal blasts from some quarters. This reaction is not unexpected since the work of the Commission has been subjected to obstruction by its opponents from its very inception. It is obvious that there are some people who do not want the facts with regard to civil rights to be studied and discussed. These people are determined to leave no stone unturned in their conspiracy to prevent information on these vital issues from reaching the American people.

I have reviewed the report of the Civil Rights Commission with great interest. It is a balanced, well-documented analysis of the legal and moral problems in the way of realizing equality under the law in accordance with our democratic tradition. These problems are not sectional or partisan. They should be of concern to all Americans throughout the country who respect the Constitution.

I can well understand some differences of opinion with regard to the specific recommendations of the Commission. I cannot, however, condone the blanket condemnation and venom which have already been heaped upon its work by its diehard opponents. Nor can I sympathize with any effort to prevent Americans from exercising their sacred right to vote or from enjoying the same privileges under our laws regardless of their race, creed or national origin.

In my opinion, the Commission's recommendations for the most part are very moderate. Its first recommendation, for example, is that the Bureau of the Census be authorized and directed to undertake a nationwide compilation of registration and voting statistics. I thought we in this country had long passed the day when we would consider such statistic-gathering activities by the Bureau of the Census as un-American. The Commission also recommends that voting records shall be preserved and be made public provided that all care is taken to preserve the secrecy of the ballot. This seems to me to be an eminently reasonable proposal. There also are recommendations with respect to appointment of temporary Federal registrars, for prosecution of persons who under color of law deprive individuals of an opportunity to register and vote, and for the enforcement of the Commission's present subpena powers, which would certainly deserve Congress' support. The only dissent from any of these recommendations is by Commissioner Battle, the former Governor of Virginia. The other Commissioners, Chairman Hannah, president of Michigan State University; Robert Storey, the dean of the Southern Methodist University Law School; Doyle Carlton, former Governor of Florida; Father Hesburgh, the president of the University of Notre Dame; and George M. Johnson, former dean of the Howard University School of Law; were unanimous in their support of these proposals.

The Commission's report deals with housing and education as well as with voting rights and, of course, there are some differences among the various Commissioners with respect to specific proposals made in these fields. This in no way serves to undermine the importance of the Commission's report. Rather, it serves to emphasize the necessity for continuing the great work in which these men are engaged so that further light can be shed on the many difficult issues which are faced in the field of civil rights. These men, all of them distinguished Americans, are engaged in a great dialogue on a subject which goes to the core of our American way of life. Discussions and reports can pave the way for an era of ever-increasing freedom and liberty for all Americans. It has always been my creed that no American can feel secure in his freedom unless the freedom of all Americans is safeguarded. This appears also to be the dominant theme of the Commission's report. I applaud the results the Commission has thus far accomplished. Under no circumstances should we even consider adjournment until the authority for continuation of the Commission has been assured.

The Federal Government Can Save Tax Dollars—Move Its Operations to Depressed Areas

EXTENSION OF REMARKS

OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. SAYLOR. Mr. Speaker, last week the proposal to reduce appropriations for schools in federally impacted areas was rejected by a House Education and Labor Subcommittee. The decision was disappointing to supporters of the administration's program to cut down on unnecessary spending. It was another blatant refusal to take a stand against inflationary practices.

The recommendations of Dr. Arthur S. Flemming, Secretary of the Department of Health, Education, and Welfare, were modest enough, with the principal item providing for a 50-percent decrease in aid to school districts where parents of students work for the Government in another jurisdiction. A district in point is Montgomery County, Md., the residence of many men and women who are employed by the Federal Government in the District of Columbia. Montgomery County, which prides itself as one of the wealthiest—if not the wealthiest—counties in the United States, comes in for a handout of about $3 million this year under Public Law 874, which one of the laws the administration sought to modify in the interest of economy.

The total cost of the prevailing program amounts to $225 million annually, with beneficiaries including numerous school districts serving permanent military bases. Under the administration plan, appropriations would have been reduced by almost 30 percent the first year, with additional savings scheduled for succeeding years. At a time when the general public is alarmed at the high cost of Government that is constantly reducing purchasing power of the wage earner's dollar, it is extremely unfortunate that an opportunity to save more than $60 million annually was dismissed by the subcommittee. Yet it is encouraging that members considering the amendments submitted this observation in their report:

> It is the feeling of the subcommittee that certain modifications of these programs may be desirable.
>
> For that reason, the subcommittee plans to take up the question again early in the next session with the intention of making specific recommendations.

Mr. Speaker, it is my firm hope that the subcommittee will in its wisdom make a complete reevaluation of the impacted area gratuities in order that the taxpaying public may at long last obtain relief from the current imposition on the Federal Treasury. Meanwhile, Congress can make a distinct contribution to the cause of economy if demands of local citizens are determined before sites for further Government installations are selected.

As Representative of the 22d Congressional District of Pennsylvania, I should like to invite my colleagues to inspect the advantages of Armstrong, Cambria, and Indiana Counties as locales for military bases and Federal offices. Although our per capita income cannot be compared with that of Montgomery County, we should be happy to provide the necessary school facilities for children of Government workers if they are located in our district. We resent having to contribute to the education of students in communities that have pleaded for Government construction and then insist on subsidies to provide for normal services and facilities.

If Montgomery County cannot afford to pay for its own schools, give us some of the new Government offices that are contemplated for the future. We would appreciate the employment opportunities and steady paychecks that come with them. In our part of the country we have thousands of men and women wholly competent of serving in whatever capacities are needed. They will welcome the economic stimulation which Government payrolls provide, and in turn they will meet whatever tax assessments are necessary to maintain our schools.

The 22d Congressional District has ample space, excellent transportation facilities, and a climate far superior to that of Montgomery County. I suggest that Congress consider these advantages before deciding upon further new construction. We would be happy to be classified as a federally impacted area without permitting our school system to become a public charge.

Reciprocal Treatment for Tariff Concessions

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I submit that orderly foreign commerce conducted on a basis of reciprocity and mutual trust is a goal worth striving for, and I would suggest to the State Department that one way to achieve this worthy objective would be for the United States to insist on reciprocal treatment for every tariff concession granted by our negotiators.

Perhaps we have a right to hope that the State Department will recognize the merits of this policy in time for the next big tariff bargaining festival to be held under the auspices of the General Agreement on Tariffs and Trade in 1961.

The adoption of such a policy, however, would mark a sharp departure from our present practice of tariff giveaways, a procedure to which our diplomats have clung through thick and thin for a quarter of a century. Time after time they have successfully resisted the efforts of embattled American producers and jobholders to encourage real reciprocity in our international commerce.

Another instance of this one-sided give-and-take—we give and they take—came to light this week in the pages of two different newspapers.

The New York Times, long-time advocate of freer trade, reported the tremendous boom in the transitor radio industry in Japan. Exports this year will be more than doubled over 1958, the Times disclosed, and no less than 60 percent of the 4 million transitor sets to be shipped abroad by the Japanese will land in the United States.

Japan's next biggest customer will receive 10 percent of total exports, or about one-sixth as many as are crowded into the U.S. market.

That is half of the story. The other half appears on the pages of the Journal of Commerce, another booster of freer trade. There we learn that the United States plans to talk once again with the Japanese about their discrimination against goods from the dollar area.

The press report goes on to list those products from the dollar area that are denied automatic import license approval. The 10 items on the list include lard, cattle, hides, beef tallow, soy beans, pig iron, and steel, and copper scrap.

Besides that, says the news story, the Japanese discriminate against automobiles made in the United States in favor of small cars manufactured in Europe.

This, of course, illustrates only a single instance of bogus reciprocity in our foreign trade. There are numerous others everywhere we look. The British Prime Minister, in a televised conversation with the President of the United States, appealed for more lenient treatment of British woolen imports, implying to millions of viewers that the United States had quite a way to go to match Britain's liberal trade outlook.

The Prime Minister did not say "ease up on our woolens and we will ease up on your automobiles or electrical equipment." He did not suggest "give our woolen manufacturers a break and we will liberalize our token import plan." In short, he did not say "give us something and we will give you something in return." Not at all. He simply said, politely, "give us something."

Australia offers another case study of bogus reciprocity in action.

In 2 years, 1956 to 1958, the Australians increased their shipments of mutton to the American market by thirtyfold—from a trifle more than 300,000 pounds to more than 14 million pounds. And in the first 6 months of 1959 these imports jumped to 23 million pounds.

Two years ago Australia sent us less than 6 million pounds of beef and veal. Last year these shipments reached 17 million pounds, and in the first half of 1959, they rose to a staggering 83 million pounds.

But what is happening in Australia's domestic market? One development of certain interest to American industry is the appeal of Australian producers of internal combustion engines for a protective tariff.

Engines and engine parts, it seems, are the only parts of motor vehicles which are not now favored by import duties. Australian producers are anxious to remedy this alleged defect. They want a 42½ percent tariff on imported engines and engine parts—but that would apply only to the United States and other countries outside of the Commonwealth preferential tariff system. Nations inside the Commonwealth family would only have to pay a 35 percent tariff to place their engines in the Australian market.

No one knows better than those who recognize its false implications what an effective word "reciprocal" really is. It is rich in meaning; it raises powerful images of faith and trust and mutual responsibility; it is the Golden Rule at work in international relations.

And, sad to say, it represents a picture of foreign trade as illusory, as misleading, as unfair to American industry and labor, as if the entire issue had been distorted and sentimentalized and glamorized in a Hollywood scenario.

Our Government is now making preparations to take part in the next multilateral tariff conference to be sponsored by GATT.

By preparing to take part, I mean specifically that the Government is scanning American industry for products on which to offer new tariff concessions. Experts in the State Department, the Commerce Department, the Agriculture Department, the Tariff Commission, and other agencies are working to put together our country's official bargaining list—some choose to call it, on the basis of painful past experience, the sacrificial offering list.

Nevertheless, this is a highly appropriate time to urge those who are responsible for these negotiations, as well as for the preparatory research that is already underway, to spend some time reexamining this question of reciprocity.

A bargaining list is one thing; what our negotiators do with it when they sit down with representatives of other nations is something else. As long as we have committed ourselves to the disadvantages of multilateral negotiation, let us try to make the best of it. Let our negotiators insist on payment in kind; for one thing, let us stop extending outright tariff reductions in return for somebody else's promise that they will not raise their tariffs on our products.

In my opinion, this practice of granting tariff concessions in return for the other fellow's agreement to stand pat is tantamount to saying, "We will give you something if you promise not to take something away from us that we already have." It is like giving away your car in order to persuade the other fellow not to raise the price of the house he is going to sell you.

Yet, this is exactly what we have done in previous negotiations. Perhaps we have learned our lesson. For the sake of our American economy, I most certainly hope so.

Law Enforcement Officers Deserve Better Public Support

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered before the Tennessee Law Enforcement Officers Association at Knoxville on August 28, 1959.

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

It is a pleasure to be back here in Knoxville this evening and to discuss a subject of utmost concern to you as law enforcement officers, to me as a legislator, and to all Americans as responsible citizens.

Crime is a cancer that destroys the minds and the souls of its practitioners and extorts severe penalties from all of us.

Approximately 3 million crimes will be committed in the United States this year. In order to meet this menace about $22 billion will be spent by local and Federal law

enforcement agents. That's more than half the amount that this Nation will spend this year for our national defense. It is 140 times the amount that has been asked by the administration to implement the National Education Defense Act. For every dollar that is contributed to our churches 10 will be spent to combat crime. From a tax standpoint $22 billion cost every citizen $128.

These startling financial figures do not represent the greatest expense that crime inflicts. Most serious of all is the loss in human resources, the corruption of our youth, the weakening of our moral fiber.

When we are locked in a global struggle that threatens our ideals and ideas we cannot afford to see our future strength sapped by the corruption of our youth. I am sure you are well aware of our juvenile delinquency problem and the central part it plays in the whole crime movement. During 1959 more than 1 million young people will get in trouble with the police. More than 50 percent of all those arrested for crime against property will be youths under 21 years of age. The rate of juvenile arrests is growing 2½ times faster than the rate of population growth in this age classification.

Crime does not pay—although a few hoodlums make temporary financial profits. But crime certainly does cost.

Organizations such as yours lead the counterattack against this national menace. The first line of defense against the criminal is the man with the badge who walks the beat or cruises in a patrol car; the sheriffs and officers and policemen who face the gunman, the burglar, and the mugger and at times give their lives in defense of law and order.

ENFORCEMENT OFFICERS DESERVE SUPPORT

You are doing a determined and courageous job, and your ranks are filled with able, dedicated men. But you can't do it all by yourselves. Your efforts are the central ones, but they must derive added strength from other sources. An effective anticrime campaign is one in which America's law enforcement officers represent the link between local civic activity and national coordination. You must have the support and interest of the individual citizens which you are protecting. And your efforts would be greatly enhanced by an exchange of ideas and information between various law enforcement agencies through a national crime commission.

Let's briefly consider these two anticrime elements.

During the hearings before the Senate Crime Investigating Committee in 1950–51, of which I was chairman, we found that the American public was dangerously uninformed and apathetic about the pervasive presence of crime. We met many policemen during our investigations—men who told us of the difficulties they have in enforcing the law because of a lack of support from the law-abiding citizens of their community; men who told us how pressure to obtain special consideration or favors breaks down the whole system of law enforcement.

The ugly facts that splashed across the television set of the Nation served to arouse the American people and rid them of their apathy about the crime problem. The hearings stirred a good deal of anticrime activity in the form of volunteer citizens groups, new crime commissions, tightening of State laws, and congressional legislation.

NEED OF CONSTANT PUBLIC INTEREST

But unfortunately much of this activity, particularly the concern of local citizens, has been sporadic and needs dramatic stimulants. An honest and courageous police officer is priceless even as the children and adults he protects. There may be an occasional bad apple, but the vast majority of our law enforcement population represents America's most dedicated men and women. It is the responsibility of all our citizens to see that our anticrime leaders receive adequate salaries and work in conditions unimpaired by dissension or patronage.

Our law enforcement officers need to be better paid, and they need to have more adequate security when they retire or when they are disabled. Unless we can provide these incentives it is going to be hard to maintain the high caliber of people entrusted with the enforcement of our laws. I think there is a duty on the part of the Federal, State, and local governments in this connection. A great many State and local violations are also violations of Federal statutes. Local law enforcement officers very frequently assist in the enforcement of Federal statutes as well as State laws. Many times they may be killed or disabled while doing so. So I think it is proper that the Federal Government join State and local communities in a program of seeing that our law enforcement officers have better protection.

With this in mind I have filed a bill that will extend the provision of the Federal Employees' Compensation Act to cover State and local law enforcement officers when they are killed or injured while enforcing any Federal law. The bill provides for payment to the extent of one-third of the amount set forth in the Federal Employees' Compensation Act. It is contemplated that the State and local governments would make similar provisions if they have not already done so. I believe that a joint undertaking would help us retain good men and women in the law enforcement service. I believe it is equitable from the viewpoint of the Federal Government. The bill that I have introduced is as follows:

A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law

"Whereas it is in the public interest to coordinate the efforts of the Federal, State, and local law enforcement agencies in order to improve the enforcement of laws; and

"Whereas many activities which constitute violations of State laws also constitute violations of Federal laws; and

"Whereas State and local law enforcement officers frequently assist in the enforcement of Federal criminal statutes; and

"Whereas State and local law enforcement officers and their families frequently are not adequately protected in the event any such officer is killed or injured and disabled while engaged in the enforcement of laws; and

"Whereas it is the policy of the Congress that the Federal Government contribute toward the provision of a more adequate measure of protection for State and local law enforcement officers and their families in cases where any such officer is killed or injured and disabled while engaged in enforcing any Federal law: Therefore

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a), except as otherwise provided by section 2, the provisions of the Federal Employees' Compensation Act, as amended, shall apply in the case of any State law enforcement officer (as defined in subsection (b)) who is killed or injured while engaged in, or as a direct result of having engaged in, the enforcement of any Federal law in like manner as if such law enforcement officer were an "employee" as defined in section 40(b) of such Act.

"(b) For the purposes of this Act, the term 'State law enforcement officer' means any sheriff, deputy sheriff, policeman, constable, town marshal, or other officer or employee of any State or political subdivision thereof who is authorized to apprehend and arrest criminals and who is charged with the duty of suppressing criminal activity, apprehending criminals and persons suspected of crimes, preserving the peace, and protecting life and property.

"SEC. 2. The amount of any compensation payable under the Federal Employees' Compensation Act by reason of the provisions of this Act shall be equal to one-third of the amount which would be payable if the individual to whom or on whose account such compensation is payable were an 'employee' as defined in section 40(b) of the Federal Employees' Compensation Act, as amended."

While crime is largely a local problem there is much that can be done nationally to assist our law enforcement agents. Since our investigations in 1950–51 Congress has passed many bills dealing with various types of criminal activity. This legislation, while beneficial, generally can deal only with specific types and certain manifestations of crime. It cannot strike mortal blows at the broad evil that only occasionally hits the headlines, but usually is carried on quietly down the street.

NATIONAL CRIME COMMISSION

Toward this end, I am planning to introduce again in the Senate a bill to establish a National Crime Commission. This Commission, similar to the ones I've proposed in past sessions of Congress, would act as a clearinghouse for the various Federal agencies and anticrime organizations spread throughout the country. It would not interfere with the fine work of the FBI but would supplement it.

It would study the manner and extent to which organized crime uses the facilities of interstate commerce, and evaluate the adequacy of Federal laws dealing with this problem. The Commission would submit recommendations based on its findings, coordinate the activities of various law enforcement agencies, and expedite exchange of information between such groups.

I believe such an organization would provide elements that are often missing from our anticrime movements: unity and permanence. The unity would be supplied by the organizations' coordination of anticrime efforts and cross-ventilation of ideas and techniques. The permanence would come from its continuing presence as a source of information and a sponsor of new programs.

Local encouragement and national cooperation—these are the elements that have been largely absent in past campaigns against crime. In the past 8 years there have been significant improvements along these lines. Present crime rates show clearly that there is much more to be done.

Award of Paul Bunyan Award to Senators Capehart and Sparkman

EXTENSION OF REMARKS

OF

HON. JOHN SPARKMAN

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Friday, September 4, 1959

Mr. SPARKMAN. Mr. President, recently the distinguished senior Senator from Indiana [Mr. CAPEHART] and I were honored by the Lumbermen's For-

est in Israel, an organization in Pennsylvania consisting of people directly or indirectly concerned with home building. This organization honored Senator CAPEHART and me by giving to each of us the Paul Bunyan annual award. The award was made to each of us according to the wording of the plaque "in recognition of his foresight and unrelenting effort in sponsoring legislation for a progressive housing policy aiming to provide the finest housing in the world for the American people." I deemed it a great honor and I am sure that the same was true for Senator CAPEHART.

On that occasion I made a brief talk. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

Mr. Chairman, Senator CAPEHART, distinguished guests, ladies and gentlemen, I am overwhelmed by your courtesy in doing me this great honor. I think that even Paul Bunyan himself would have been impressed with the dimensions of your generosity.

It is fitting that there should be events, such as this, celebrated in the name of Paul Bunyan. His name is symbolic of the resilience and audacity of a frontier society. This frontier spirit is well expressed by Carl Sandburg when he says that—

"The people will live on.
The learning and blundering people will live on.
They will be tricked and sold and again sold
And go back to the nourishing earth for rootholds,
The people so peculiar in renewal and comeback,
You can't laugh off their capacity to take it."

Daniel G. Hoffman quotes those few lines from Sandburg and observes that the poet finds in the Bunyan stories, "conquests of terror by laughter, of despair by comic ingenuity, and the victory of the indomitable human spirit over adversity."

No task was too great for Paul Bunyan, nor for the indomitable people who created his legend, nor for the people who came after him—both here and in freedom-loving lands abroad.

I wish that we had a Paul Bunyan to take over the task of housing the American people. This is a task which will require all our talents and all our determination.

According to the Bureau of the Census, in 1957 13 million homes in this Nation were substandard—this represents 24 percent, or 1 out of 4 of the 55,340,000 dwelling units in the continental United States. In 1950, the Census Bureau reported 16 million substandard dwelling units, so that in those 7 years we made some progress, but very little indeed when one considers the high level of prosperity during the period.

Why is this?

The simple answer is that we are not producing enough housing units to meet the need. We are not adding enough new units to force abandonment of many existing units which are worn out and have long ago ceased to be fit for human occupancy.

The formation of new nonfarm households over the past few years has amounted to about 1 million units per year. Housing starts, according to the Bureau of Labor statistics, have been a little over 1 million units per year. This is just enough to take care of new household formation.

We must increase production of housing in the future. We have a dual job. First, to produce enough new units to accommodate the big family formation expansion expected to take place in the mid-1960's; and second, to replace the old, wornout, and dilapidated units still occupied.

The babies of the midforties will be the new heads of households of the midsixties, so it requires only simple arithmetic to estimate the probable new family formation for that period. In addition to the need to build enough units to meet the requirements of new household formation and to replace existing substandard units, there is an ever-pressing demand for improvement in the quality of housing consistent with our existing standard of living.

The construction of homes priced to meet the growing needs of larger families is another pressure for expansion of housing construction.

With all these demand factors in mind, we have some rough idea of the job ahead of us. With the right product and the right price, housing production of the mid-1960's could easily double that produced today.

The question is—Can it be done? Do we have the tools to produce housing units within the next 10 years at a rate double the present performance?

I know what Paul Bunyan's answer would be—and my answer is the same. We can produce as much housing as we are willing to produce—and we should never rest until every family in this Nation has a decent home in a suitable living environment.

It is also fitting that Paul Bunyan should be a symbol for your efforts to encourage land reclamation and the development of forests in Israel. For Israel is indeed a frontier, even as our own land was—not so many years ago. Perhaps this work you do through your committee is in partial fulfillment of God's word, when He spoke through Isaiah to say:

"I will open rivers in high places, and fountains in the midst of the valleys: I will make the wilderness a pool of water, and the dry land springs of water.

"I will plant in the wilderness the cedar, the shittah tree, and the myrtle, and the oil tree; I will set in the desert the fir tree, and the pine, and the box tree together."

You in this assembly, and others all over the country, are helping Israel survive under difficulties almost beyond imagination. Israel is an area no larger than the State of Massachusetts, bordered on three sides by unfriendly nations, and suffering from a minimum of natural and climatic resources. We are helping this tiny nation to remain a lamp of freedom, in a part of the world besieged by Communist pressures, in spite of the many handicaps her people face.

What has already been accomplished toward making Israel economically independent is almost unbelievable.

Land under cultivation increased from 400,000 acres in 1949 to 950,000 in 1957. To restore these vast areas to fruitfulness was in many instances a matter of digging stones out of rough terrain by hand. Most of it was done, however, by modern agricultural equipment supplied in large part by help from people in the United States.

In a great program of reforestation in which your organization has played such an important part there have been planted 27,585,000 trees.

Even with this tremendous development of her land resources Israel supplies only about 70 percent of her overall agricultural needs.

Industrial production has increased by more than 300 percent since 1949. Productivity per worker has risen about 50 percent.

This greater industrial production gave a needed boost to Israel's exports, which quintupled during the decade. Exports totaled $200 million in 1957, and reached $250 million last year.

All this was achieved despite a crippling security burden, an Arab boycott, and the absorption of 900,000 immigrants.

We Americans, it seems to me, must assume these fundamental facts about Israel:

1. It is a reality. It is idle to argue whether or not there should be a country such as Israel.

2. The United States had a leading part in the establishment and recognition of Israel as a free and independent country. It cannot, and will not, stand idly by and see Israel destroyed.

3. Perhaps most important of all, despite the initial hardships and difficulties which this new little State has encountered and despite the efforts of the Communists to entice Israel into their orbit, Israel has stood firm for freedom in the great struggle of this mid-20th century.

To Israel we say: "We cherish your freedom and we intend to do what we can to keep you free."

It is imperative that we renew this assurance from time to time. We need to do so to make crystal clear to Russia and to others that we will live up to the moral obligation that we incurred when we helped to establish that little country.

By patience, tolerance, perseverance, and vigilance in the protection of individual freedom, Israel can serve to lead others to democracy and its many advantages.

It is encouraging that you are doing your bit in working for continued economic development and prosperity in that area.

Let me thank you again for this occasion and this opportunity to be with you. I wish you every success in your great work.

Excerpts From Speech by Senator Harry F. Byrd, of Virginia, at His 37th Annual Orchard Picnic, Berryville, Va., Saturday, August 29, 1959

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 4, 1959

Mr. ABBITT. Mr. Speaker, on Saturday, August 29, the Honorable HARRY F. BYRD, senior Senator from Virginia, gave his 37th annual orchard picnic at Berryville, Va. Senator BYRD is so widely known, respected, and beloved by the people that I will not go into his many accomplishments but simply state that he is Virginia's first citizen and one of the outstanding statesmen of America. At the picnic, as has been the custom in the past, Senator BYRD delivered a most enlightening and cogent speech on the events of interest to our people. Under leave to extend my remarks, I include herewith Senator BYRD's speech:

One of the main topics of conversation in Washington is the approaching visit of Khrushchev. The Congress appears to be divided as to the wisdom of his visit. It has its minus side as well as its plus side. Should one of the hundreds of thousands of refugees who have come to America because of the cruelty of Communist Russia take a shot at Khrushchev, it might start a third world war. Such risks as this, in my opinion, outweigh the plus side of his visit.

I am one of those Senators who do not believe he should be invited to address a joint session of the Congress of the United States.

That is the supreme honor accorded only to those we can trust and those who are our friends, such as Winston Churchill. Should a resolution inviting him be presented, and I hope it will not be, I will consider it my duty to vote against it. I am not willing for the Congress officially to pay tribute to the world's greatest Communist and our most dangerous enemy by inviting him to speak formally to the Congress of the United States.

We all know that we must live in the same world with those who ideas differ from ours, and with nations which have different forms of government. But in the case of Russia, let us always remember that Russia is a totalitarian nation, controlled by one man who recognizes only brute strength.

Let us greet Mr. Khrushchev with courtesy, let us protect him in every way possible, but do not let him or any other Russian lead us into a sense of false security. And above all do not let him sell us a bill of goods.

We must keep our military strength equal to if not greater than Russia's. This is our only protection. The Russians equal or excel us in the field of rockets. They definitely excel us in submarines equipped with nuclear weapons, but we excel them in the air and on the sea and in the development of atomic weapons.

It is tragic that after World War II we should find it necessary to prepare ourselves against attack by a formidable nation whose leader appears to be bent on extending his frontiers and control over weaker nations wherever he can find them. As a member of the Armed Services Committee I tell you we must not let our guard down.

As has been my custom, I will give you a BYRD's eye view of the work of the Congress and elsewhere in the Government this year. I shall not go into detail because much has happened since our last meeting.

THE WARREN SUPREME COURT

I call the present Supreme Court the Warren court so as to distinguish it from those courts on which great Justices previously have served our country so honorably and well and with such distinction and dedication to our principles.

The Warren court continues to run true to form, continues to render decision after decision in defiance of constitutional democracy, which, in the brief space of about 180 years, has made America the greatest of all nations.

America has only one-sixth of the population of the world, one-seventh of the earth's surface, but produces one-third of all the world's goods. This is because of our competitive enterprise system and the freedoms of our people.

The Warren court hands down decisions on Mondays. Nearly every Monday when the Court is in session is a Black Monday.

I will not go over the ground which I covered here a year ago when I listed the decisions of the Warren court since 1954. Beginning with the integration decision, these Warren court decisions have steadily weakened our democracy.

This school decision is perhaps the most iniquitous and infamous of all. It was not based upon law nor was it based upon the Constitution, as many distinguished lawyers have so often said.

Since I spoke to you last, the Warren court has rendered three more particularly vicious decisions:

One to search a man's house without a warrant.

Even under the despotic rule of the early English kings a man's home was his castle, and no one could enter without due process of law.

Another decision would destroy the right of States to control and protect their citizens from indecency and immorality in books and pictures.

The third was a decision to permit the States to tax interstate commerce, which is in violation of the interstate commerce clause of the Constitution.

It happens that I have two distinctions, although some may think they are not too creditable. One is that I am the only Member of the Senate now who voted against the Wagner Labor Act in 1935 which gave special privileges to the labor unions.

The second distinction is that I am the only Member of the Senate now who opposed the Tennessee Valley Authority.

These votes represent my philosophy of government. I do not believe in special privileges for either labor or business. I believe in the private enterprise system which is the source of our progress and advancement.

The Senate labor bill was a weak bill. I did all I could to strengthen it. The House labor bill is strong. It not only gives protection to the membership of the unions, but also controls secondary boycotts, hot cargoes, and such things which can destroy businesses not directly involved in any strike.

The House bill has strong provisions to prevent the intimidation of workers by means of picketing. Virginia is fortunate in that during the administration of Gov. William M. Tuck workers were guaranteed the right to work and are protected against violence and interference by pickets or otherwise.

The new Federal labor bill is now in conference where the differences between the House and the Senate bills are being worked out. Labor legislation must not be unfair to labor, but the excesses of ruthless labor leaders must be curbed. Only Congress has the power to do this.

James B. Carey, president of the International Union of Electrical Radio and Machine Workers, inadvertently gave an assist to the passage of the stronger House bill when he wrote to each Member of Congress threatening to defeat every Senator and Congressman who voted for the bill.

PRINCE EDWARD

Before I conclude let me mention that ordinarily public schools next week would be reopening all over the State. But this year not a public school in Prince Edward County will open. Never before in the history of public schools in Virginia or any other State has a whole county withdrawn from the public education system.

It is vital, I think, that we in Virginia and people everywhere in America understand the conditions that brought about this closing of all public schools in an entire county.

In 1951 a suit was instituted against Prince Edward County in Virginia and Clarendon County, S.C., to require school integration. In 1954 the Warren court rendered a decision directed at these two counties imposing integration in all public schools with deliberate speed.

The great and able Virginia judge, Sterling Hutcheson, in a memorable decision, found deliberate speed in the case of Prince Edward to be at least 6 to 7 years.

The leaders of the NAACP then took an appeal, although they were urged not to do so my many of those who favored the Warren Supreme Court decision. Then the Federal Court of Appeals overruled Judge Hutcheson and ordered the Prince Edward schools to be integrated in the school year beginning next week. Thus, the county of Prince Edward faced massive integration. Such an enforced integration means the destruction of the public schools in that county.

There are 1780 colored pupils in Prince Edward and 1562 white pupils. The people of Prince Edward were prepared. They had determined when the suit was first instituted against them 8 years ago that they would resist forced integration. They did this in order to preserve a system of education because they knew white students would not attend integrated schools.

It is significant that although Clarendon County, S.C., was the other defendant in the suit, no effort has been made by the NAACP to integrate in that county.

The people of Prince Edward made no threats, they issued no inflammatory statements. There was no violence and no disorder. They have calmly and deliberately established a new system of private education without the use of a single public-school facility, buildings, schoolbuses, or any other public-school equipment.

Every white student in the county will go to school, using completely nonpublic facilities. The parents of the colored students have not attempted to avail themselves of other means of education.

In order to comply with the decision of Chief Justice Taft, rendered in 1928, providing for equal but separate school facilities, Prince Edward expended $1 million on a colored high school building. Prince Edward still owes $400,000 on this school. It will be closed. The blame for this situation must be placed directly upon the ruthless action of the NAACP.

The colored people of Prince Edward County have been the victims of their leaders. Their lack of education must be laid directly at the door of those NAACP leaders who have become the integration enforcement agents for the Warren court.

Since the NAACP is responsible for closing the Negro schools in Prince Edward it would be appropriate for this association to allocate a part of its large tax exempt income to aid the Negroes in this county to obtain an education. In doing this the NAACP could in part make atonement for the injury they have done to these members of their race.

Knowing the people of Prince Edward as I do, I am confident that they are prepared to do everything wthin their power to give the colored students of Prince Edward the same education they have had in the past in segregated schools.

The NAACP has won its lawsuits and the Negroes have lost their schools, operated 85 percent at the expense of the white people of Prince Edward.

It is a tragedy for everyone—all because the NAACP deliberately and maliciously forced this action upon Prince Edward. Prince Edward has taken the only action it could take. The county had sought by every honorable means to avoid this step. It was faced with the destruction of its school system. White parents had taxed themselves heavily to build new Negro schools, and the Negroes had as many classrooms as the whites—Negro schoolteachers were paid exactly the same as the white.

The action that Prince Edward has taken is courageous, and it was thoughtfully and well considered. The brave citizens of Prince Edward are true to the faith of their fathers.

Those who expressed confidence in the so-called moderation of the NAACP which is enforcing the integration laws should not only take note of this ruthless action taken against Prince Edward, but they should note the recent statement by the NAACP spokesman, Roy Wilkins, which has great significance.

"With the collapse of massive resistance laws," declares Roy Wilkins, national executive secretary of the National Association for the Advancement of Colored People, "the

South is trying to adopt a token compliance policy to get around the 1954 Supreme Court decision. Generally," he adds, "we are opposed to any form of token integration on the grounds that it is contrary to the Court's decision, but the NAACP will go along with plans where it appears to be a bona fide start toward desegregation."

Note that Wilkins accepts token integration only as a "bona fide start toward desegregation." Desegregation means massive integration.

I and other Virginians who advocated massive resistance to the illegal school integration decision of the Warren court have been bitterly denounced, chiefly by those outside of Virginia.

I stand now as I stood when I first urged massive resistance.

I believe then as I believe now that it is either massive resistance or in the long run run massive integration, and this would destroy our entire school system.

As one who has been honored so often by the Virginia people I felt my duty was to give the best advice of which I was capable.

At least under the massive resistance program Virginia remained segregated for 5 years after the Warren decision, notwithstanding the fact that massive efforts of the Federal Government and the NAACP were directed at Virginia alone.

Due to the concentration of all power against us today Virginia is the only Southern State having enforced integration.

The policy was to break Virginia down first, and now the unholy alliance of the NAACP and the Federal Government will attempt the same strong-arm methods throughout the South.

I am firmly convinced that as long as the NAACP is in the driver's seat, the goal is massive integration all down the line in all walks of life.

Just a few weeks ago the NAACP met in New York City in annual convention and were addressed by so-called political notables.

A resolution was adopted declaring for complete integration of the races in all areas, effective on the 100th anniversary of the signing by Lincoln of the proclamation for the emancipation of the slaves. This program naturally includes declaring unconstitutional all State laws prohibiting mixed marriages.

If Warren lives long enough and remains on the Court this decision will certainly be rendered. It is not necessary for me to forecast the calamitous results of massive integration accompanied by legal encouragement toward mixed marriages.

SENATE

SATURDAY, SEPTEMBER 5, 1959

(Legislative day of Monday, August 31, 1959)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

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

Eternal Father, strong to save: Amid all the confusion and bafflement of these days, we pray by Thy sustaining grace that our minds may be kept clear and clean and uncluttered by prejudice.

Lord, in this hour of tumult;
Lord, in this night of fears;
Keep open, O keep open
Our eyes, our hearts, our ears
In this sacred temple of the Republic's life,
Not blindly nor in hatred,
Lord let us do our part.
Keep open, O keep open, dear Lord,
Our eyes, our mind, our heart.

Amen.

REQUESTS FOR COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Banking and Currency Committee, which is considering the housing bill, be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection——

Mr. MORSE. Mr. President——

The VICE PRESIDENT. Is there objection?

Mr. MORSE. I object.

The VICE PRESIDENT. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, it may be necessary to recess the Senate, in order to permit committees to meet, to transact the public business. I hope that will not be necessary; but I want all Members to be on notice that it may be necessary. I trust that the 90-odd Members who indicated that they were willing, ready, and anxious to work to complete the job which we were elected to do will be here to support that position.

Mr. President, I ask unanimous consent that the Finance Committee, which has under consideration the bill on the interest rate ceiling on E bonds and H bonds, may be permitted to sit during the session of the Senate today.

Mr. MORSE. Mr. President, I object

FEDERAL-AID HIGHWAY ACT OF 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 934, House bill 8678.

The VICE PRESIDENT. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes.

The VICE PRESIDENT. 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 (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which had been reported from the Committee on Public Works, with amendments; and subsequently had been reported from the Committee on Finance, with additional amendments.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the motion to consider the bill was agreed to be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay on the table the motion to reconsider.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice to the Senate that we expect to have a late session this evening. It may continue until as late as midnight, at least. We are hopeful that the Senate will be able today to pass the very important Federal-aid-to-highways bill.

We received complete cooperation from all the members of the two Senate committees yesterday; and I particularly wish to express the appreciation of the Senate and, I believe, of the country, to the very able Senator from Tennessee [Mr. GORE], the very able Senator from Minnesota [Mr. MCCARTHY], and the very able Senator from New Mexico [Mr. ANDERSON], and to other Senators who had proposals in which they were interested. They realize the importance of this bill; and they also realize that with each day that passes, the country is losing taxes it will need in order to make the highway program a success.

As a result of their diligence and the diligence of the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], and the chairman of the Public Works Committee, the Senator from New Mexico [Mr. CHAVEZ], we were able—notwithstanding the fact that it was necessary for the Senate to be in recess—to get that important piece of proposed legislation reported.

Each Member will have a chance to say what he wishes to say on that measure, today; and a little later I will propose a unanimous-consent request for a limitation of time, so that Members who may desire to be away from the Chamber may know when to expect votes.

But at the moment——

Mr. PROUTY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. PROUTY. The Senator from Texas knows that a very controversial amendment, an amendment which relates to billboards, which was approved yesterday by the Public Works Committee, is in the highway bill; and millions of people throughout the country are very much concerned about that provision.

I hope the distinguished majority leader will not seek to limit time on this important question, about which few Members know anything; they have no idea of what the effects will be on their individual States. I believe widespread resentment would result if we were to act on this proposal too precipitately.